



Ventas Reports 2015 Third Quarter Results

October 23, 2015

- **Reported Normalized FFO of \$1.09 Per Diluted Share; 7 Percent Growth on a Comparable Basis**
- **Portfolio Same Store Cash Net Operating Income Growth Exceeds 4 Percent**
- **Company Completes \$1.3 Billion of Investments and Care Capital Properties Spin-Off**
- **2015 Normalized FFO Guidance Range Increased to \$4.43 to \$4.46 Per Diluted Share**

CHICAGO--(BUSINESS WIRE)--Oct. 23, 2015-- Ventas, Inc. (NYSE: VTR) ("Ventas" or the "Company") today announced that reported normalized Funds From Operations ("FFO") for the quarter ended September 30, 2015 was \$365.5 million, compared to \$332.8 million for the 2014 period. Reported normalized FFO per diluted common share was \$1.09 for the quarter ended September 30, 2015. Weighted average diluted shares outstanding for the third quarter of 2015 increased to 336.3 million, compared to 296.5 million in the third quarter of 2014.

These current and prior period reported results include discontinued operations normalized FFO from the 355 properties that are now owned by Care Capital Properties, Inc. ("CCP") (NYSE:CCP). The spin-off of CCP as an independent, publicly traded company (the "Spin-Off") was successfully completed on August 17, 2015. Ventas's third quarter 2015 reported results include normalized FFO from those properties for the period July 1 - August 17, 2015.

On a comparable basis ("Comparable"), adjusting all current and prior periods for the effects of the Spin-Off as if the Spin-Off were completed January 1, 2014, normalized FFO for the quarter ended September 30, 2015 totaled \$330.1 million or \$0.98 cents per diluted share, representing a Comparable per share growth rate of 7 percent compared to the third quarter 2014.

Strong Results and Innovative Transactions Completed

"We drove strong results, including over four percent same-store cash NOI growth, and completed our innovative and value creating spin-off of Care Capital Properties and the Ardent hospital acquisition, during the quarter," Ventas Chairman and Chief Executive Officer Debra A. Cafaro said. "We have a terrific portfolio, enhanced growth prospects, leading operating partners and excellent liquidity. With our positive momentum, we are pleased to increase our full year 2015 guidance range for same-store cash flow growth and normalized FFO per share."

Third Quarter Net Income and NAREIT FFO

Reported net income attributable to common stockholders for the quarter ended September 30, 2015 was \$22.9 million, or \$0.07 per diluted common share. Reported net income attributable to common stockholders for the quarter ended September 30, 2014 was \$109.1 million, or \$0.37 per diluted common share.

The decrease in third quarter 2015 reported net income per share from 2014 net income per share is principally due to the inclusion in the third quarter of 2014 of a full quarter's results from the properties that were spun off to CCP; higher depreciation expense; and separation and transaction costs in the current period principally relating to the CCP Spin-Off and the Ardent transactions. These factors were partially offset by higher net operating income ("NOI") due to accretive investments and improved property performance in the third quarter 2015.

Reported FFO, as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), for the third quarter of 2015 was \$260.7 million, or \$0.78 per diluted common share. Reported NAREIT FFO for the third quarter of 2014 was \$304.1 million, or \$1.03 per diluted common share.

Portfolio Performance

- Same-store cash NOI growth for the Company's total portfolio (1,024 assets) was 4.3 percent, expressed in constant currency, for the quarter ended September 30, 2015 compared to the same period in 2014. Year-to-date, same-store cash NOI growth for the Company's total portfolio (1,015 assets) was 4.4 percent.
- Total seniors housing operating portfolio ("SHOP") NOI was \$150.3 million in the third quarter, an increase of 15 percent over the respective 2014 period. Same-store SHOP NOI grew 3.2 percent, expressed in constant currency, for the 239 same-store properties over third quarter 2014 results.

Third Quarter Developments

- The Company completed its acquisition of Ardent Health Services and simultaneously sold its hospital operating company ("Ardent") to a consortium composed of Equity Group Investments, Ardent's management team and Ventas. Ventas now has approximately \$1.3 billion invested in high quality 100% owned hospital real estate operated by Ardent, a top ten US hospital company, as its tenant under long-term triple-net leases at a going-in cash yield approximating 7.5 percent after all costs and expenses and 8 percent before such costs and expenses. Ventas invested \$26 million for its 9.9 percent share of Ardent equity.
- The Company successfully completed its Spin-Off of most of its skilled nursing facility portfolio into CCP, a pure-play skilled nursing REIT, on August 17, 2015.
- The Company made \$28 million in development and redevelopment funding during the third quarter.
- Ventas paid its shareholders a dividend of \$0.73 per share in the third quarter, representing a reported FFO payout ratio of 67 percent. As previously communicated, Ventas's third quarter 2015 dividend to shareholders, combined with CCP's third quarter dividend, delivered a 10 percent increase for shareholders compared to the third quarter 2014.

Balance Sheet and Liquidity

- During the third quarter of 2015, Ventas issued and sold a total of 1 million shares of common stock for aggregate proceeds of approximately \$67 million (before sales commissions) under its “at the market” equity offering program, of which approximately 580,000 were previously reported; and issued \$500 million of 4.125 percent senior notes due 2026.
- The Company completed a \$900 million five year term loan with a variable interest rate of LIBOR plus 97.5 basis points in August.
- In August, in connection with the Spin-Off, the Company received a dividend from CCP of \$1.3 billion.
- During and following the quarter, Ventas sold assets generating proceeds of \$92 million and gains exceeding \$9 million.
- During the quarter, Ventas repaid \$1.0 billion of debt in addition to payments that reduced its outstanding balance under the Company’s Revolving Credit Facility. This \$1.0 billion of repaid debt had a weighted average maturity of 1.5 years and weighted average interest rate approximating 3.3 percent.
- The Company has a strong liquidity position and credit profile, including:
 - \$2 billion availability under its Revolving Credit Facility and \$65 million of cash;
 - Debt maturities totaling only \$667 million through 2016;
 - A weighted average debt maturity exceeding seven years;
 - Net Debt to Adjusted Pro Forma EBITDA at September 30, 2015 of 6.1x; and
 - Current debt-to-enterprise value at 36 percent.

2015 Normalized FFO Per Share and Same Store Cash Flow Guidance Increased from Previously Provided Range

Ventas currently expects its 2015 reported normalized FFO per diluted share to increase to a range between \$4.43 and \$4.46, compared to its previously provided guidance range of \$4.39 to \$4.45. If achieved, this would represent 7 to 8 percent growth in normalized FFO per share over 2014 on a Comparable basis. Ventas currently expects its 2015 NAREIT reported FFO per diluted share to be between \$4.03 and \$4.07.

Same-store cash NOI is forecast to grow 3.5 to 4 percent in 2015, an improvement from the Company’s prior range of 2.5 to 3.5 percent, driven by enhancement of our high-quality portfolio following the CCP Spin-Off. SHOP same-store cash NOI is now forecast to grow 2 to 3 percent, while triple-net same-store NOI is estimated to grow 5.5 to 6 percent in 2015.

The Company’s current expectations do not include any material additional investments, dispositions or capital activity. A reconciliation of the Company’s guidance to the Company’s projected GAAP earnings is included in this press release.

The Company’s guidance is based on a number of other assumptions that are subject to change and many of which are outside the control of the Company. If actual results vary from these assumptions, the Company’s expectations may change. There can be no assurance that the Company will achieve these results.

THIRD QUARTER CONFERENCE CALL

Ventas will hold a conference call to discuss this earnings release today at 10:00 a.m. Eastern Time (9:00 a.m. Central Time). The dial-in number for the conference call is (800) 706-7741 (or (617) 614-3471 for international callers). The participant passcode is “Ventas.” The conference call is being webcast live by NASDAQ OMX and can be accessed at the Company’s website at www.ventasreit.com. A replay of the webcast will be available following the call online, or by calling (888) 286-8010 (or (617) 801-6888 for international callers), passcode 23997249, beginning at approximately 2:00 p.m. Eastern Time and will remain for 35 days.

Ventas, Inc., an S&P 500 company, is a leading real estate investment trust. Its diverse portfolio of nearly 1,300 assets in the United States, Canada and the United Kingdom consists of seniors housing communities, medical office buildings, skilled nursing facilities, hospitals 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 www.ventasreit.com and www.lillibridge.com.

Supplemental information regarding the Company can be found on the Company’s website under the “Investor Relations” section or at www.ventasreit.com/investor-relations/financial-information/supplemental-information. A comprehensive listing of the Company’s properties is available at www.ventasreit.com/our-portfolio/properties-by-location.

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’, borrowers’ or managers’ 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 or acquisition 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 actual results may differ from the Company’s 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 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 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 or state budgets resulting in the reduction or nonpayment of Medicare or Medicaid reimbursement rates; (e) the nature and extent of future competition, including new construction in the markets in which the Company’s seniors housing communities and medical office buildings (“MOBs”) are located; (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 in light of economic, market, legal, tax and other considerations; (l) final determination of the Company's taxable net income for the year ending December 31, 2015; (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 or manager, and obligations, including indemnification obligations, the Company may incur in connection with the replacement of an existing tenant or manager; (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 exchange rates for any foreign currency in which the Company may, from time to time, conduct business; (p) year-over-year changes in the Consumer Price Index or the UK Retail Price Index and the effect of those changes on the rent escalators contained in the Company's leases 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 Company's liquidity, financial condition and results of operations or that of the Company's tenants, operators, borrowers and managers, and the ability of the Company and 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 the Company's 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; (x) merger and acquisition activity in the seniors housing and healthcare industries resulting in a change of control of, or a competitor's investment in, one or more of the Company's tenants, operators, borrowers or managers or significant changes in the senior management of the Company's tenants, operators, borrowers or managers; (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; and (z) changes in accounting principles, or their application or interpretation, and the Company's ability to make estimates and the assumptions underlying the estimates, which could have an effect on the Company's earnings. Many of these factors are beyond the control of the Company and its management.

CONSOLIDATED BALANCE SHEETS

As of September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014

(In thousands, except per share amounts)

	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Assets					
Real estate investments:					
Land and improvements	\$ 2,065,664	\$ 2,013,478	\$ 1,971,210	\$ 1,708,851	\$ 1,690,085
Buildings and improvements	20,203,784	19,231,061	19,032,505	17,403,552	17,182,025
Construction in progress	124,377	129,186	118,483	109,689	100,445
Acquired lease intangibles	1,344,708	1,211,917	1,194,783	952,251	952,487
	23,738,533	22,585,642	22,316,981	20,174,343	19,925,042
Accumulated depreciation and amortization	(3,966,947)	(3,774,841)	(3,564,277)	(3,420,089)	(3,249,081)
Net real estate property	19,771,586	18,810,801	18,752,704	16,754,254	16,675,961
Secured loans receivable and investments, net	766,707	762,312	746,793	802,881	380,792
Investments in unconsolidated real estate entities	96,208	85,461	95,147	91,872	88,175
Net real estate investments	20,634,501	19,658,574	19,594,644	17,649,007	17,144,928
Cash and cash equivalents	65,231	60,532	120,225	55,348	64,595
Escrow deposits and restricted cash	74,491	193,960	223,772	71,771	78,746
Goodwill	1,052,321	1,058,607	947,386	363,971	358,672
Assets held for sale	168,931	2,839,453	3,030,030	2,574,174	2,581,040
Other assets	418,502	395,752	452,428	451,642	358,356
Total assets	\$ 22,413,977	\$ 24,206,878	\$ 24,368,485	\$ 21,165,913	\$ 20,586,337
Liabilities and equity					
Liabilities:					
Senior notes payable and other debt	\$ 11,268,560	\$ 11,439,577	\$ 11,532,539	\$ 10,827,764	\$ 10,404,208
Accrued interest	67,358	77,631	77,359	62,097	69,112
Accounts payable and other liabilities	791,430	784,465	777,517	750,622	720,601
Liabilities related to assets held for sale	65,465	241,894	239,075	254,680	244,709
Deferred income taxes	352,658	370,161	371,785	344,337	361,454
Total liabilities	12,545,471	12,913,728	12,998,275	12,239,500	11,800,084
Redeemable OP unitholder and noncontrolling interests	198,832	199,404	257,246	172,016	163,080
Commitments and contingencies					

Equity:

Ventas stockholders' equity:

Preferred stock, \$1.00 par value; 10,000 shares authorized, unissued	—	—	—	—	—
Common stock, \$0.25 par value; 333,027; 331,965; 330,913; 298,478 and 294,359 shares issued at September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014, respectively	83,238	82,982	82,718	74,656	73,603
Capital in excess of par value	11,523,312	12,708,898	12,616,056	10,119,306	9,859,490
Accumulated other comprehensive income	(592)	10,180	4,357	13,121	16,156
Retained earnings (deficit)	(1,992,848)	(1,772,529)	(1,660,856)	(1,526,388)	(1,398,378)
Treasury stock, 61; 28; 32; 7 and 32 shares at September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014, respectively	(3,675)	(2,048)	(2,385)	(511)	(2,075)
Total Ventas stockholders' equity	9,609,435	11,027,483	11,039,890	8,680,184	8,548,796
Noncontrolling interest	60,239	66,263	73,074	74,213	74,377
Total equity	9,669,674	11,093,746	11,112,964	8,754,397	8,623,173
Total liabilities and equity	\$ 22,413,977	\$ 24,206,878	\$ 24,368,485	\$ 21,165,913	\$ 20,586,337

CONSOLIDATED STATEMENTS OF INCOME

For the three and nine months ended September 30, 2015 and 2014

(In thousands, except per share amounts)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Revenues:				
Rental income:				
Triple-net leased	\$ 201,028	\$ 170,873	\$ 571,591	\$ 500,047
Medical office buildings	142,755	116,686	420,287	346,942
	343,783	287,559	991,878	846,989
Resident fees and services	454,825	396,247	1,356,384	1,141,781
Medical office building and other services revenue	10,000	7,573	29,951	18,240
Income from loans and investments	18,924	13,186	66,192	36,902
Interest and other income	74	367	719	811
Total revenues	827,606	704,932	2,445,124	2,044,723
Expenses:				
Interest	97,135	77,325	263,422	214,117
Depreciation and amortization	226,332	173,006	657,262	507,167
Property-level operating expenses:				
Senior living	304,540	265,274	902,154	762,993
Medical office buildings	43,305	41,262	129,152	120,021
	347,845	306,536	1,031,306	883,014
Medical office building services costs	6,416	4,568	19,098	9,565
General, administrative and professional fees	32,114	29,464	100,399	93,632
Loss on extinguishment of debt, net	15,331	2,414	14,897	5,079
Merger-related expenses and deal costs	62,145	16,188	105,023	35,944
Other	4,795	9,413	13,948	18,070
Total expenses	792,113	618,914	2,205,355	1,766,588
Income before (loss) income from unconsolidated entities, income taxes, discontinued operations, real estate dispositions and noncontrolling interest	35,493	86,018	239,769	278,135
(Loss) income from unconsolidated entities	(955)	(47)	(1,197)	549
Income tax benefit (expense)	10,697	1,887	27,736	(4,820)
Income from continuing operations	45,235	87,858	266,308	273,864
Discontinued operations	(22,383)	18,171	13,434	79,026
Gain on real estate dispositions	265	3,625	14,420	16,514
Net income	23,117	109,654	294,162	369,404
Net income attributable to noncontrolling interest	265	522	1,047	827
Net income attributable to common stockholders	\$ 22,852	\$ 109,132	\$ 293,115	\$ 368,577
Earnings per common share:				
Basic:				
Income from continuing operations attributable to common stockholders, including real estate dispositions	\$ 0.14	\$ 0.31	\$ 0.85	\$ 0.98
Discontinued operations	(0.07)	0.06	0.04	0.27
Net income attributable to common stockholders	\$ 0.07	\$ 0.37	\$ 0.89	\$ 1.25
Diluted:				

Income from continuing operations attributable to common stockholders, including real estate dispositions	\$ 0.14	\$ 0.31	\$ 0.85	\$ 0.97
Discontinued operations	(0.07	) 0.06	0.03	0.27
Net income attributable to common stockholders	\$ 0.07	\$ 0.37	\$ 0.88	\$ 1.24

Weighted average shares used in computing earnings per common share:

Basic	332,491	294,030	329,440	293,965
Diluted	336,338	296,495	333,210	296,411

Dividends declared per common share	\$ 0.73	\$ 0.725	\$ 2.31	\$ 2.175
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QUARTERLY CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)

	2015 Quarters			2014 Quarters	
	Third	Second	First	Fourth	Third
Revenues:					
Rental income:					
Triple-net leased	\$ 201,028	\$ 182,006	\$ 188,557	\$ 174,500	\$ 170,873
Medical office buildings	142,755	140,472	137,060	116,968	116,686
	343,783	322,478	325,617	291,468	287,559
Resident fees and services	454,825	454,645	446,914	411,170	396,247
Medical office building and other services revenue	10,000	9,408	10,543	11,124	7,573
Income from loans and investments	18,924	25,215	22,053	14,876	13,186
Interest and other income	74	174	471	3,452	367
Total revenues	827,606	811,920	805,598	732,090	704,932
Expenses:					
Interest	97,135	83,959	82,328	77,948	77,325
Depreciation and amortization	226,332	214,711	216,219	218,049	173,006
Property-level operating expenses:					
Senior living	304,540	299,252	298,362	273,563	265,274
Medical office buildings	43,305	43,410	42,437	38,811	41,262
	347,845	342,662	340,799	312,374	306,536
Medical office building services costs	6,416	5,764	6,918	7,527	4,568
General, administrative and professional fees	32,114	33,959	34,326	28,106	29,464
Loss (gain) on extinguishment of debt, net	15,331	(455	) 21	485	2,414
Merger-related expenses and deal costs	62,145	12,265	30,613	7,360	16,188
Other	4,795	4,279	4,874	7,673	9,413
Total expenses	792,113	697,144	716,098	659,522	618,914
Income before (loss) income from unconsolidated entities, income taxes, discontinued operations, real estate dispositions and noncontrolling interest	35,493	114,776	89,500	72,568	86,018
(Loss) income from unconsolidated entities	(955	) 9	(251	) (688	) (47
Income tax benefit	10,697	9,789	7,250	13,552	1,887
Income from continuing operations	45,235	124,574	96,499	85,432	87,858
Discontinued operations	(22,383	) 18,243	17,574	20,709	18,171
Gain on real estate dispositions	265	7,469	6,686	1,456	3,625
Net income	23,117	150,286	120,759	107,597	109,654
Net income attributable to noncontrolling interest	265	465	317	407	522
Net income attributable to common stockholders	\$ 22,852	\$ 149,821	\$ 120,442	\$ 107,190	\$ 109,132
Earnings per common share:					
Basic:					
Income from continuing operations attributable to common stockholders, including real estate dispositions	\$ 0.14	\$ 0.39	\$ 0.32	\$ 0.29	\$ 0.31
Discontinued operations	(0.07	) 0.06	0.05	0.07	0.06
Net income attributable to common stockholders	\$ 0.07	\$ 0.45	\$ 0.37	\$ 0.36	\$ 0.37
Diluted:					
Income from continuing operations attributable to common stockholders, including real estate dispositions	\$ 0.14	\$ 0.40	\$ 0.32	\$ 0.29	\$ 0.31
Discontinued operations	(0.07	) 0.05	0.05	0.07	0.06
Net income attributable to common stockholders	\$ 0.07	\$ 0.45	\$ 0.37	\$ 0.36	\$ 0.37

Weighted average shares used in computing earnings per common share:

Basic	332,491	330,715	325,454	294,810	294,030
Diluted	336,338	334,026	329,203	297,480	296,495

CONSOLIDATED STATEMENTS OF CASH FLOWS**For the nine months ended September 30, 2015 and 2014****(In thousands)**

	2015	2014
Cash flows from operating activities:		
Net income	\$ 294,162	\$ 369,404
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amounts in discontinued operations)	736,870	587,176
Amortization of deferred revenue and lease intangibles, net	(19,312)	(14,775)
Other non-cash amortization	3,051	(616)
Stock-based compensation	16,061	16,792
Straight-lining of rental income, net	(25,118)	(29,644)
Loss on extinguishment of debt, net	14,897	5,079
Gain on real estate dispositions (including amounts in discontinued operations)	(14,649)	(17,726)
Gain on real estate loan investments	—	(249)
Gain on sale of marketable securities	(5,800)	—
Income tax (benefit) expense	(30,717)	4,420
Loss (income) from unconsolidated entities	1,197	(549)
Other	23,826	13,736
Changes in operating assets and liabilities:		
Decrease (increase) in other assets	11,164	(3,306)
Increase in accrued interest	6,338	14,835
Increase (decrease) in accounts payable and other liabilities	10,075	(24,605)
Net cash provided by operating activities	1,022,045	919,972
Cash flows from investing activities:		
Net investment in real estate property	(2,556,988)	(1,184,036)
Investment in loans receivable and other	(74,386)	(66,436)
Proceeds from real estate disposals	409,633	112,746
Proceeds from loans receivable	106,909	55,573
Purchase of marketable securities	—	(46,689)
Proceeds from sale or maturity of marketable securities	76,800	21,689
Funds held in escrow for future development expenditures	4,003	2,602
Development project expenditures	(90,458)	(71,375)
Capital expenditures	(75,812)	(56,235)
Investment in unconsolidated operating entity	(26,282)	—
Other	(27,984)	(4,009)
Net cash used in investing activities	(2,254,565)	(1,236,170)
Cash flows from financing activities:		
Net change in borrowings under credit facility	(790,406)	(153,684)
Net cash impact of CCP Spin-off	(128,749)	—
Proceeds from debt	2,511,061	2,007,707
Proceeds from debt related to CCP Spin-off	1,400,000	—
Repayment of debt	(1,329,070)	(905,117)
Purchase of noncontrolling interest	(3,819)	—
Payment of deferred financing costs	(23,893)	(14,946)
Issuance of common stock, net	417,818	—
Cash distribution to common stockholders	(759,575)	(640,414)
Cash distribution to redeemable OP unitholders	(12,776)	(4,214)
Purchases of redeemable OP units	(33,188)	—
Distributions to noncontrolling interest	(11,250)	(6,760)
Other	6,489	(551)
Net cash provided by financing activities	1,242,642	282,021
Net increase (decrease) in cash and cash equivalents	10,122	(34,177)
Effect of foreign currency translation on cash and cash equivalents	(239)	3,956
Cash and cash equivalents at beginning of period	55,348	94,816
Cash and cash equivalents at end of period	\$ 65,231	\$ 64,595

Supplemental schedule of non-cash activities:

Assets and liabilities assumed from acquisitions:

Real estate investments	\$ 2,558,239	\$ 353,995
Other assets acquired	20,221	3,683
Debt assumed	177,857	228,150
Other liabilities	57,937	19,441
Deferred income tax liability	50,836	110,087
Noncontrolling interests	87,245	—
Equity issued	2,204,585	—

QUARTERLY CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	2015 Quarters			2014 Quarters	
	Third	Second	First	Fourth	Third
Cash flows from operating activities:					
Net income	\$ 23,117	\$ 150,286	\$ 120,759	\$ 107,597	\$ 109,654
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization (including amounts in discontinued operations)	240,210	249,207	247,453	241,291	201,236
Amortization of deferred revenue and lease intangibles, net	(5,682)	(7,027)	(6,603)	(4,096)	(4,896)
Other non-cash amortization	2,142	1,428	(519)	304	2,312
Stock-based compensation	4,869	4,885	6,307	4,202	5,381
Straight-lining of rental income, net	(8,357)	(8,082)	(8,679)	(9,043)	(12,413)
(Gain) loss on extinguishment of debt, net	15,331	(455)	21	485	2,414
Gain on real estate dispositions (including amounts in discontinued operations)	(217)	(7,746)	(6,686)	(1,457)	(3,584)
Gain on real estate loan investments	—	—	—	(1,206)	(249)
Gain on sale of marketable securities	—	(5,800)	—	—	—
Income tax (benefit) expense	(12,477)	(10,390)	(7,850)	(13,851)	(1,987)
(Income) loss from unconsolidated entities	955	(9)	251	688	47
Other	5,747	15,171	2,908	2,188	7,152
Changes in operating assets and liabilities:					
(Increase) decrease in other assets	20,875	(14,326)	4,615	8,623	(14,514)
Increase (decrease) in accrued interest	(9,770)	316	15,792	(6,877)	12,461
Increase (decrease) in accounts payable and other liabilities	27,578	6,097	(23,600)	6,025	21,256
Net cash provided by operating activities	304,321	373,555	344,169	334,873	324,270
Cash flows from investing activities:					
Net investment in real estate property	(1,303,078)	(181,371)	(1,072,539)	(284,250)	(912,510)
Investment in loans receivable and other	(18,727)	(16,086)	(39,573)	(432,556)	(21,948)
Proceeds from real estate disposals	136,442	106,850	166,341	5,500	60,396
Proceeds from loans receivable	13,634	1,219	92,056	17,984	49,593
Purchase of marketable securities	—	—	—	(50,000)	—
Proceeds from sale or maturity of marketable securities	19,575	57,225	—	—	21,689
Funds held in escrow for future development expenditures	—	—	4,003	1,988	—
Development project expenditures	(27,828)	(29,163)	(33,467)	(35,613)	(26,952)
Capital expenditures	(32,383)	(22,258)	(21,171)	(31,219)	(20,709)
Investment in unconsolidated operating entity	(26,282)	—	—	—	—
Other	(19,171)	(4,633)	(4,180)	(10,704)	(296)
Net cash used in investing activities	(1,257,818)	(88,217)	(908,530)	(818,870)	(850,737)
Cash flows from financing activities:					
Net change in borrowings under credit facility	(469,072)	131,563	(452,897)	693,887	46,267
Net cash impact of CCP Spin-off	(128,749)	—	—	—	—
Proceeds from debt	1,403,090	15,138	1,092,833	—	1,311,046
Proceeds from debt related to CCP Spin-off	1,400,000	—	—	—	—
Repayment of debt	(1,050,628)	(253,795)	(24,647)	(246,278)	(632,391)
Purchase of noncontrolling interest	(3)	(1,156)	(2,660)	—	—
Payment of deferred financing costs	(9,285)	(173)	(14,435)	726	(8,100)
Issuance of common stock, net	65,651	66,840	285,327	242,107	—
Cash distribution to common stockholders	(243,171)	(261,494)	(254,910)	(235,200)	(213,462)
Cash distribution to redeemable OP unitholders	(8,079)	(2,332)	(2,365)	(1,548)	(1,452)
Purchases of redeemable OP units	—	(32,619)	(569)	(503)	—
Contributions from noncontrolling interest	—	—	—	491	—
Distributions to noncontrolling interest	(1,783)	(7,645)	(1,822)	(2,799)	(1,852)
Other	561	238	5,690	25,153	23
Net cash (used in) provided by financing activities	958,532	(345,435)	629,545	476,036	500,079
Net (decrease) increase in cash and cash equivalents	5,035	(60,097)	65,184	(7,961)	(26,388)
Effect of foreign currency translation on cash and cash equivalents	(336)	404	(307)	(1,286)	4,348
Cash and cash equivalents at beginning of period	60,532	120,225	55,348	64,595	86,635

Cash and cash equivalents at end of period \$ 65,231 \$ 60,532 \$ 120,225 \$ 55,348 \$ 64,595

QUARTERLY CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(In thousands)

	2015 Quarters			2014 Quarters	
	Third	Second	First	Fourth	Third
Supplemental schedule of non-cash activities:					
Assets and liabilities assumed from acquisitions:					
Real estate investments	\$ 3,649	\$ 11,761	\$ 2,542,829	\$ 16,746	\$ 299,713
Investment in unconsolidated operating entity	—	—	—	—	—
Other assets acquired	3,716	(206)	16,711	11,597	2,049
Debt assumed	—	—	177,857	12,926	177,035
Other liabilities	8,149	4,052	45,736	4,598	15,766
Deferred income tax liability	(784)	7,503	44,117	641	108,961
Noncontrolling interests	—	—	87,245	—	—
Equity issued	—	—	2,204,585	10,178	—

NON-GAAP FINANCIAL MEASURES RECONCILIATION

Funds From Operations (FFO) and Funds Available for Distribution (FAD)¹

(Dollars in thousands, except per share amounts)

	2014		FY	2015		Q3	YTD	YOY Growth '14-'15	Tentative Estimates Preliminary and Subject to Change FY2015 - Guidance		Midpoint YOY Growth '14-'15E
	Q3	Q4		Q1	Q2				Low	High	
Net income attributable to common stockholders ²	\$ 109,132	\$ 107,190	\$ 475,767	\$ 120,442	\$ 149,821	\$ 22,852	\$ 293,115		\$ 413,165	\$ 417,186	
Net income attributable to common stockholders per share ²	\$ 0.37	\$ 0.36	\$ 1.60	\$ 0.37	\$ 0.45	\$ 0.07	\$ 0.88		\$ 1.24	\$ 1.25	
Adjustments:											
Depreciation and amortization on real estate assets	171,399	216,239	718,649	214,429	212,908	224,688	652,025		878,000	888,000	
Depreciation on real estate assets related to noncontrolling interest	(2,503)	(2,506)	(10,314)	(2,052)	(1,964)	(1,964)	(5,980)		(7,900)	(8,000)	
Depreciation on real estate assets related to unconsolidated entities	1,471	1,332	5,792	1,462	1,464	1,445	4,371		5,775	5,875	
Gain on real estate dispositions	(3,625)	(1,456)	(17,970)	(6,686)	(7,469)	(265)	(14,420)		(22,000)	(22,500)	
Discontinued operations:											
Loss (gain) on real estate dispositions	41	(52)	(1,494)	—	(277)	48	(229)		(229)	(229)	
Depreciation and amortization on real estate	28,230	23,241	103,250	31,234	34,496	13,878	79,608		79,608	79,608	

assets												
Subtotal: FFO add-backs	195,013	236,798	797,913	238,387	239,158	237,830	715,375		933,254	942,754		
Subtotal: FFO add-backs per share	\$ 0.66	\$ 0.80	\$ 2.69	\$ 0.72	\$ 0.72	\$ 0.71	\$ 2.15		\$ 2.79	\$ 2.82		
FFO (NAREIT) attributable to common stockholders	\$ 304,145	\$ 343,988	\$ 1,273,680	\$ 358,829	\$ 388,979	\$ 260,682	\$ 1,008,490	(14 %)	\$ 1,346,419	\$ 1,359,940	6 %	
FFO (NAREIT) attributable to common stockholders per share	\$ 1.03	\$ 1.16	\$ 4.29	\$ 1.09	\$ 1.16	\$ 0.78	\$ 3.03	(24 %)	\$ 4.03	\$ 4.07	(6 %)	
Adjustments:												
Change in fair value of financial instruments	4,595	485	5,121	(46)	70	(18)	6		50	(50)		
Non-cash income tax (benefit) expense	(1,987)	(13,851)	(9,431)	(7,850)	(10,389)	(12,477)	(30,716)		(40,000)	(42,000)		
Loss (gain) on extinguishment of debt, net	2,414	485	5,013	21	(39)	16,301	16,283		16,283	16,783		
Merger-related expenses, deal costs and re-audit costs	23,401	10,625	54,389	36,002	15,135	100,548	151,685		155,000	153,000		
Amortization of other intangibles	255	480	1,246	591	591	438	1,620		2,000	2,100		
Subtotal: normalized FFO add-backs	28,678	(1,776)	56,338	28,718	5,368	104,792	138,878		133,333	129,833		
Subtotal: normalized FFO add-backs per share	\$ 0.10	\$ (0.01)	\$ 0.19	\$ 0.09	\$ 0.02	\$ 0.31	\$ 0.42		\$ 0.40	\$ 0.39		
Normalized FFO attributable to common stockholders	\$ 332,823	\$ 342,212	\$ 1,330,018	\$ 387,547	\$ 394,347	\$ 365,474	\$ 1,147,368	10 %	\$ 1,479,752	\$ 1,489,773	12 %	
Normalized FFO attributable to common stockholders per share	\$ 1.12	\$ 1.15	\$ 4.48	\$ 1.18	\$ 1.18	\$ 1.09	\$ 3.44	(3 %)	\$ 4.43	\$ 4.46	(1%)	
Less:												
Normalized FFO from CCP spin-off	(59,398)	(57,051)	(250,100)	(68,701)	(69,306)	(35,393)	(173,400)		(173,400)	(173,400)		
Less:												
Normalized FFO from CCP spin-off per share	\$ (0.20)	\$ (0.19)	\$ (0.84)	\$ (0.21)	\$ (0.21)	\$ (0.11)	\$ (0.52)		\$ (0.52)	\$ (0.52)		
Comparable Normalized FFO attributable to common stockholders	\$ 273,425	\$ 285,161	\$ 1,079,918	\$ 318,846	\$ 325,041	\$ 330,081	\$ 973,968	21 %	\$ 1,306,352	\$ 1,316,373	21 %	
Comparable Normalized FFO attributable to	\$ 0.92	\$ 0.96	\$ 3.64	\$ 0.97	\$ 0.97	\$ 0.98	\$ 2.92	7 %	\$ 3.91	\$ 3.94	8 %	

*common
stockholders
per share*

Non-cash
items included
in normalized
FFO:

Amortization of deferred revenue and lease intangibles, net	(4,896)	(4,096)	(18,871)	(6,603)	(7,027)	(5,682)	(19,312)		(23,750)	(24,250)	
Other non-cash amortization, including fair market value of debt	2,312	304	(312)	(519)	1,428	2,142	3,051		5,150	5,650	
Stock-based compensation	5,381	4,202	20,994	6,307	4,885	4,869	16,061		19,600	21,300	
Straight-lining of rental income, net	(12,413)	(9,043)	(38,687)	(8,679)	(8,082)	(8,357)	(25,118)		(31,750)	(32,250)	
Subtotal: non-cash items included in normalized FFO	(9,616)	(8,633)	(36,876)	(9,494)	(8,796)	(7,028)	(25,318)		(30,750)	(29,550)	
Capital expenditures	(21,822)	(32,527)	(92,928)	(22,148)	(23,520)	(33,536)	(79,204)		(114,000)	(112,000)	
Normalized FAD attributable to common stockholders	\$ 301,385	\$ 301,052	\$ 1,200,214	\$ 355,905	\$ 362,031	\$ 324,910	\$ 1,042,846	8 %	\$ 1,335,002	\$ 1,348,223	12 %
Normalized FAD attributable to common stockholders per share	\$ 1.02	\$ 1.01	\$ 4.05	\$ 1.08	\$ 1.08	\$ 0.97	\$ 3.13	(5 %)	\$ 4.00	\$ 4.04	(1 %)
Less: Normalized FAD from CCP spin-off	(55,015)	(51,535)	(230,477)	(61,014)	(64,080)	(29,987)	(155,081)		(155,081)	(155,081)	
Less: Normalized FAD from CCP spin-off per share	\$(0.19)	\$(0.17)	\$(0.78)	\$(0.19)	\$(0.19)	\$(0.09)	\$(0.47)		\$(0.46)	\$(0.46)	
Comparable Normalized FAD attributable to common stockholders	\$ 246,370	\$ 249,517	\$ 969,737	\$ 294,891	\$ 297,951	\$ 294,923	\$ 887,765	20 %	\$ 1,179,921	\$ 1,193,142	22 %
Comparable Normalized FAD attributable to common stockholders per share	\$ 0.83	\$ 0.84	\$ 3.27	\$ 0.90	\$ 0.89	\$ 0.88	\$ 2.66	6 %	\$ 3.53	\$ 3.57	9 %
Merger-related expenses, deal costs and re-audit costs	(23,401)	(10,625)	(54,389)	(36,002)	(15,135)	(100,548)	(151,685)		(155,000)	(153,000)	
FAD attributable to common stockholders	\$ 277,984	\$ 290,427	\$ 1,145,825	\$ 319,903	\$ 346,896	\$ 224,362	\$ 891,161	(19 %)	\$ 1,180,002	\$ 1,195,223	4 %

FAD attributable to common stockholders per share	\$ 0.94	\$ 0.98	\$ 3.86	\$ 0.97	\$ 1.04	\$ 0.67	\$ 2.67	(29 %)	\$ 3.53	\$ 3.58	(8 %)
Less: FAD from CCP spin-off	(54,454)	(50,952)	(228,730)	(56,454)	(61,760)	7,204	(111,010)		(111,010)	(111,010)	
Less: FAD from CCP spin-off per share	\$(0.18)	\$(0.17)	\$(0.77)	\$(0.17)	\$(0.18)	\$ 0.02	\$(0.33)		\$(0.33)	\$(0.33)	
Comparable FAD attributable to common stockholders	\$ 223,530	\$ 239,475	\$ 917,095	\$ 263,449	\$ 285,136	\$ 231,566	\$ 780,151	(4 %)	\$ 1,068,992	\$ 1,084,213	17 %
Comparable FAD attributable to common stockholders per share	\$ 0.75	\$ 0.81	\$ 3.09	\$ 0.80	\$ 0.85	\$ 0.69	\$ 2.34	(8 %)	\$ 3.20	\$ 3.25	4 %
Weighted average diluted shares	296,495	297,480	296,677	329,203	334,026	336,338	333,210		334,030	334,030	

¹ Totals and per share amounts may not add due to rounding. Per share quarterly amounts may not add to annual per share amounts due to material changes in the Company's weighted average diluted share count, if any.

² CCP impacts calculated based on net income related to discontinued operations, less the de minimis share of discontinued operations net income not related to CCP assets, assuming (1) G&A of \$2.5 million in both Q3'14 and Q4'14 (\$0.01 per share per quarter), \$10.0 million for the full-year of 2014 (\$0.03 per share), \$2.5 million in Q1'15 and Q2'15 (\$0.01 per share per quarter), and \$1.3 million in Q3'15 (\$0.00 per share) and (2) interest expense of \$6.5 million in Q3'14 and Q4'14 (\$0.02 per share per quarter), \$26.1 million for the full-year 2014 (\$0.09 per share), \$6.9 million in Q1'15 and Q2'15 (\$0.02 per share per quarter), and \$4.3 million in Q3'15 (\$0.01 per share); these adjustments differ from the respective amounts found in discontinued operations.

Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market conditions, many industry investors deem presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. For that reason, the Company considers FFO, normalized FFO, FAD and normalized FAD to be appropriate measures of operating performance of an equity REIT. In particular, the Company believes that normalized FFO is useful because it allows investors, analysts and Company management to compare the Company's operating performance to the operating performance of other real estate companies and between periods on a consistent basis without having to account for differences caused by unanticipated items and other events such as transactions and litigation. In some cases, the Company provides information about identified non-cash components of FFO and normalized FFO because it allows investors, analysts and Company management to assess the impact of those items on the Company's financial results.

The Company uses the NAREIT definition of FFO. NAREIT defines FFO as net income attributable to common stockholders (computed in accordance with GAAP) excluding gains (or losses) from sales of real estate property, including gain on re-measurement of equity method investments, and impairment write-downs of depreciable real estate, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect FFO on the same basis. The Company defines normalized FFO as FFO excluding the following income and expense items (which may be recurring in nature): (a) merger-related costs and expenses, including amortization of intangibles, transition and integration expenses, and deal costs and expenses, including expenses and recoveries relating to acquisition lawsuits; (b) the impact of any expenses related to asset impairment and valuation allowances, the write-off of unamortized deferred financing fees, or additional costs, expenses, discounts, make-whole payments, penalties or premiums incurred as a result of early retirement or payment of the Company's debt; (c) the non-cash effect of income tax benefits or expenses and derivative transactions that have non-cash mark-to-market impacts on the Company's income statement; (d) except as specifically stated in the case of guidance, the impact of future acquisitions or divestitures (including pursuant to tenant options to purchase) and capital transactions; (e) the financial impact of contingent consideration, charitable donations made to the Ventas Charitable Foundation, gains and losses for non-operational foreign currency hedge agreements and changes in the fair value of financial instruments; and (f) expenses related to the re-audit and re-review in 2014 of the Company's historical financial statements and related matters. Normalized FAD represents normalized FFO excluding non-cash components, straight-line rental adjustments and deducting capital expenditures, including tenant allowances and leasing commissions. FAD represents normalized FAD after subtracting merger-related expenses, deal costs and re-audit costs.

FFO, normalized FFO, FAD and normalized FAD presented herein may not be comparable to similar measures presented by other real estate companies due to the fact that not all real estate companies use the same definitions. FFO, normalized FFO, FAD and normalized FAD should not be considered as alternatives to net income (determined in accordance with GAAP) as indicators of the Company's financial performance or as alternatives to cash flow from operating activities (determined in accordance with GAAP) as measures of the Company's liquidity, nor are they 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, normalized FFO, FAD and normalized FAD should be examined in conjunction with net income as presented elsewhere herein.

NON-GAAP FINANCIAL MEASURES RECONCILIATION

Net Debt to Adjusted Pro Forma EBITDA

The following information considers the pro forma effect on net income of the Company's investments and other capital transactions that were completed during the three months ended September 30, 2015, as if the transactions had been consummated as of the beginning of the period. The following table illustrates net debt to pro forma earnings before interest, taxes, depreciation and amortization (including non-cash stock-based compensation expense), excluding gains or losses on extinguishment of debt, income or loss from noncontrolling interest and unconsolidated entities (excluding cash distributions), merger-related expenses and deal costs, expenses related to the re-audit and re-review in 2014 of the Company's historical financial statements, net gains on real estate activity and changes in the fair value of financial instruments (including amounts in discontinued operations) ("Adjusted Pro Forma EBITDA") (dollars in thousands):

Net income attributable to common stockholders	\$ 22,852
Pro forma adjustments for current period investments, capital transactions and dispositions	5,217
Pro forma net income for the three months ended September 30, 2015	28,069
Add back:	
Pro forma interest	92,887
Pro forma depreciation and amortization	229,383
Stock-based compensation	4,869
Gain on real estate dispositions	(217)
Loss on extinguishment of debt, net	15,331
Pro forma income from unconsolidated entities	(2,143)
Pro forma noncontrolling interest	265
Income tax benefit	(10,697)
Change in fair value of financial instruments	(18)
Other taxes	644
Merger-related expenses, deal costs and re-audit costs	99,802
Adjusted Pro Forma EBITDA	458,175
Adjusted Pro Forma EBITDA annualized	\$ 1,832,700

As of September 30, 2015:

Debt	\$ 11,268,560
Cash, adjusted for cash escrows pertaining to debt	(84,835)
Net debt	\$ 11,183,725

Net debt to Adjusted Pro Forma EBITDA 6.1 x

NON-GAAP FINANCIAL MEASURES RECONCILIATION ^{1, 2}

NOI by Segment

(In thousands)

	2015 Quarters			2014 Quarters	
	Third	Second	First	Fourth	Third
Revenues					
<i>Triple-Net</i>					
Triple-Net Rental Income	\$ 201,028	\$ 182,006	\$ 188,557	\$ 174,500	\$ 170,873
<i>Medical Office Buildings</i>					
Medical Office - Stabilized	130,573	129,145	123,210	104,170	103,780
Medical Office - Lease up	8,611	8,129	8,429	6,675	6,767
Medical Office - Other	3,571	3,198	5,421	6,123	6,139
Total Medical Office Buildings - Rental Income	142,755	140,472	137,060	116,968	116,686
Total Rental Income	343,783	322,478	325,617	291,468	287,559
Medical Office Building Services Revenue	8,459	7,749	8,858	9,218	5,937
Total Medical Office Buildings - Revenue	151,214	148,221	145,918	126,186	122,623
Triple-Net Services Revenue	1,011	1,139	1,136	1,136	1,136
Non-Segment Services Revenue	530	520	549	770	500
Total Medical Office Building and Other Services Revenue	10,000	9,408	10,543	11,124	7,573
<i>Seniors Housing Operating</i>					
Seniors Housing - Stabilized	437,816	438,110	431,890	398,855	385,511
Seniors Housing - Lease up	17,009	16,535	15,024	12,083	10,109

Seniors Housing - Other	—	—	—	232	627
Total Resident Fees and Services	454,825	454,645	446,914	411,170	396,247
Non-Segment Income from Loans and Investments	18,924	25,215	22,053	14,876	13,186
Total Revenues, excluding Interest and Other Income	827,532	811,746	805,127	728,638	704,565

Property-Level Operating Expenses

<i>Medical Office Buildings</i>					
Medical Office - Stabilized	38,593	38,490	36,808	33,332	34,807
Medical Office - Lease up	3,013	3,087	3,242	2,509	2,738
Medical Office - Other	1,699	1,833	2,387	2,970	3,717
Total Medical Office Buildings	43,305	43,410	42,437	38,811	41,262

<i>Seniors Housing Operating</i>					
Seniors Housing - Stabilized	290,619	286,321	286,277	262,915	256,702
Seniors Housing - Lease up	13,921	12,931	12,085	10,421	7,972
Seniors Housing - Other	—	—	—	227	600
Total Seniors Housing	304,540	299,252	298,362	273,563	265,274
Total Property-Level Operating Expenses	347,845	342,662	340,799	312,374	306,536

Medical Office Building Services Costs	6,416	5,764	6,918	7,527	4,568
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Net Operating Income

<i>Triple-Net</i>					
Triple-Net Properties	201,028	182,006	188,557	174,500	170,873
Triple-Net Services Revenue	1,011	1,139	1,136	1,136	1,136
Total Triple-Net	202,039	183,145	189,693	175,636	172,009

<i>Medical Office Buildings</i>					
Medical Office - Stabilized	91,980	90,655	86,402	70,838	68,973
Medical Office - Lease up	5,598	5,042	5,187	4,166	4,029
Medical Office - Other	1,872	1,365	3,034	3,153	2,422
Medical Office Building Services	2,043	1,985	1,940	1,691	1,369
Total Medical Office Buildings	101,493	99,047	96,563	79,848	76,793

<i>Seniors Housing Operating</i>					
Seniors Housing - Stabilized	147,197	151,789	145,613	135,940	128,809
Seniors Housing - Lease up	3,088	3,604	2,939	1,662	2,137
Seniors Housing - Other	—	—	—	5	27
Total Seniors Housing	150,285	155,393	148,552	137,607	130,973
Non-Segment	19,454	25,735	22,602	15,646	13,686
Net Operating Income	\$ 473,271	\$ 463,320	\$ 457,410	\$ 408,737	\$ 393,461

¹ Amounts above are adjusted to exclude discontinued operations for all periods presented.

² Amounts above are not restated for changes between categories from quarter to quarter.

NON-GAAP FINANCIAL MEASURES RECONCILIATION (Dollars in thousands)

Total Portfolio Same-Store Constant Currency Cash NOI

	For the Three Months Ended	
	September 30,	
	2015	2014
Net Operating Income	\$ 473,271	\$ 393,461
Adjustments:		
NOI Not Included in Same-Store	(85,282)	(22,699)
Straight-Lining of Rental Income	(8,342)	(12,376)
Non-Cash Rental Income	(3,879)	(1,776)
Non-Segment NOI	(19,453)	(13,686)
Constant Currency Adjustment	—	(1,296)

(116,956) (51,833)

Constant Currency NOI as Reported \$ 356,315 \$ 341,628

Percentage Increase 4.3 %

NON-GAAP FINANCIAL MEASURES RECONCILIATION
(Dollars in thousands)

Total Portfolio Same-Store Constant Currency Cash NOI

For the Nine Months Ended
September 30,
2015 2014

Net Operating Income \$ 1,394,001 \$ 1,151,333

Adjustments:

Lease Modification Fee	5,200	—
NOI Not Included in Same-Store	(239,385)	(66,491)
Straight-Lining of Rental Income	(25,047)	(29,545)
Non-Cash Rental Income	(11,292)	(3,727)
Non-Segment NOI	(67,791)	(38,402)
Constant Currency Adjustment	—	(2,316)
	(338,315)	(140,481)

Constant Currency NOI as Reported \$ 1,055,686 \$ 1,010,852

Percentage Increase 4.4 %

NON-GAAP FINANCIAL MEASURES RECONCILIATION
(Dollars in thousands)

Senior Housing Operating Portfolio Same-Store Constant Currency NOI

For the Three Months Ended
September 30,
2015 2014

Net Operating Income \$ 150,285 \$ 130,973

Less:

NOI Not Included in Same-Store	(24,571)	(8,122)
Constant Currency Adjustment	—	(1,076)
	(24,571)	(9,198)

Constant Currency NOI as Reported \$ 125,714 \$ 121,775

Percentage Increase 3.2 %

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