



## Ventas Issues Secured Debt Financing Commitment for Ardent Health Services to Merge with LHP Hospital Group, Inc.

October 5, 2016

*Ardent-LHP Transaction Creates Second Largest Private, For-Profit Hospital Operator in the U.S.*

*Reinforces Ventas's Position as the Premier Capital Partner for Leading Senior Living and Healthcare Providers*

CHICAGO--(BUSINESS WIRE)--Oct. 5, 2016-- Ventas, Inc. (NYSE: VTR) ("Ventas" or the "Company") announced today that it has issued a commitment to provide secured debt financing in the amount of \$700 million to a subsidiary of Ardent Health Services ("Ardent") in connection with Ardent's agreement to acquire LHP Hospital Group, Inc. ("LHP"), also announced earlier today. Terms of the purchase were not disclosed. The transaction is expected to close in the first quarter of 2017, pending customary regulatory reviews and approvals.

To complete the purchase of LHP, Ventas is providing a commitment to make a five-year LIBOR-based loan ("the Loan"), guaranteed by Ardent's parent company, and bearing an initial interest rate of approximately 8%. Ardent will also receive a significant equity contribution from its majority owner, an affiliate of Equity Group Investments ("EGI"). The transaction is structured to enable Ardent to maintain its strong balance sheet and potential for future growth and investment.

"This commitment is aligned with our position as the premier capital partner to leading senior living and healthcare providers and our strategy of building a formidable, high quality hospital business," said Ventas Chairman and Chief Executive Officer Debra A. Cafaro. "The LHP acquisition validates our investment last year in Ardent's experienced management team and scalable infrastructure, and its ability to consolidate the large, fragmented hospital sector."

"We are excited by Ardent's acquisition of LHP, which expands Ardent's business by 50% and creates the second largest private, for-profit hospital operator in the United States with over \$3 billion in revenues. This transaction enhances Ardent's scale and diversification by adding a high-quality portfolio with significant market share in attractive markets. Ardent will also benefit from LHP's strong margins, excellent payor mix, significant synergy opportunities and outstanding joint venture partner relationships with leading not-for-profit and academic medical centers. This accretive, well-structured loan will enhance Ventas's ability to drive reliable growth and income from our diversified portfolio for the benefit of shareholders."

Ventas expects the Loan to be accretive to 2017 normalized funds from operations on a leverage neutral basis. Ventas expects to fund the transaction using proceeds of asset sales and loan repayments, cash on hand and other capital sources. The acquisition agreement between Ardent and LHP and Ventas's Loan commitment are subject to customary conditions to closing and approvals. There can be no assurance that the acquisition of LHP will occur or that Ventas will fund the Loan.

Following the completion of Ardent's acquisition of LHP, Ardent will benefit from significant scale and diversification, operating 19 high-quality hospitals with more than 3,200 beds across six states and employing approximately 18,000 employees, including more than 475 physicians. With LHP, Ardent will also gain significant relationships with outstanding joint venture partners, including leading not-for-profit and academic medical centers such as Ascension, Hackensack Meridian Health and Portneuf Health Care. Existing Ardent management will lead the combined company with the assistance of key LHP executives, and expects to realize meaningful synergies in the transaction. Headquartered in Plano, Texas, LHP is owned by affiliates of the private equity firm CCMP Capital Advisors, LLC and the CPP Investment Board as well as certain members of management and its board of directors.

Ventas owns substantially all of Ardent's current real estate, including 10 of its 14 hospitals and related medical facilities. Ardent is owned by an entity consisting of an affiliate of EGI, Ardent management, and Ventas, which owns a 9.9% equity stake.

Ventas, Inc., an S&P 500 company, is a leading real estate investment trust. Its diverse portfolio of approximately 1,300 assets in the United States, Canada and the United Kingdom consists of seniors housing communities, medical office buildings, life science buildings, skilled nursing facilities, specialty hospitals and general acute care hospitals. 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.

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; (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 tenants, 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 ended December 31, 2015 and for the year ending December 31, 2016; (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 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 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) 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; (v) the impact of market or issuer events on the liquidity or value of the Company's investments in marketable securities; (w) consolidation 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; (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; and (y) 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.

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