# EXCELLENCE. SUSTAINED.

# FULL-YEAR 2016 EXPECTATIONS & PRELIMINARY 2017 OUTLOOK

JANUARY 2017

VENTAS®

# FORWARD-LOOKING STATEMENTS

This presentation contains “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. These forward-looking statements include, among others, statements of expectations, beliefs, future plans and strategies, anticipated results from operations and developments and other matters that are not historical facts. The forward-looking statements are based on management’s beliefs as well as on a number of assumptions concerning future events. Readers of these materials are cautioned not to put undue reliance on these forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements. The most important factors that could prevent the Company from achieving its stated goals include, but are not limited to: (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 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 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 a 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 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) the Company’s ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; (j) 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; (k) 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; and (l) the other factors set forth in the Company‘s periodic filings with the Securities and Exchange Commission.

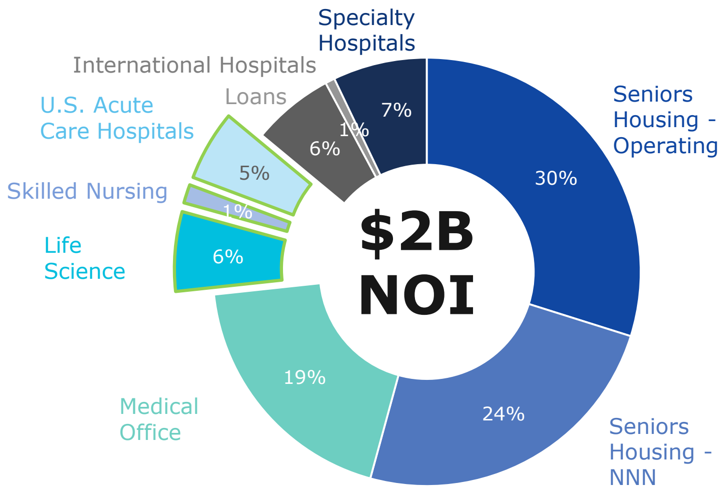
# CONSISTENT OUTSTANDING EXECUTION IN 2016[1]

- ☑ **4%-5%** Normalized FFO / Share Growth (Expected)
- ☑ **>$600M** Strategic Dispositions and Loan Repayments
- ☑ **6%** Dividend / Share Increase[2]
- ☑ **$4M** Annual Benefit from Positive Sunrise Agreement
- ☑ **5.7x-5.8x** Year-End Net Debt / Adjusted EBITDA
- ☑ **7%** Premium Value SNF Disposition to Facilitate Kindred SNF Exit + **8 Year** LTAC Lease Extension
- ☑ **$1.5B** Life Science and Innovation Center Acquisition with Leading Research Universities and Wexford Platform Growth
- ☑ **$3B Revenues** Pro Forma Leading Acute Care Platform in 6 Key Markets with #2 For-Profit Private Hospital Company

1. As announced in the Company's 01/10/2017 press release.
2. Represents the quarterly dividend rate increase announced for Q4 2016.

# DIVERSE AND HIGH-QUALITY VTR PORTFOLIO

## Q4 2017(E)[1]




### Life Science

- ✓ Entry into Attractive Institutional-Quality Life Science and Innovation Centers Associated with Leading Research Universities with $1.5B Life Science Acquisition
- ✓ Growth Including Near-Term Ground-Up Developments

### Skilled Nursing

- ✓ >$4B Spin-Off of Majority of Skilled Nursing Portfolio
- ✓ Kindred SNF Exit

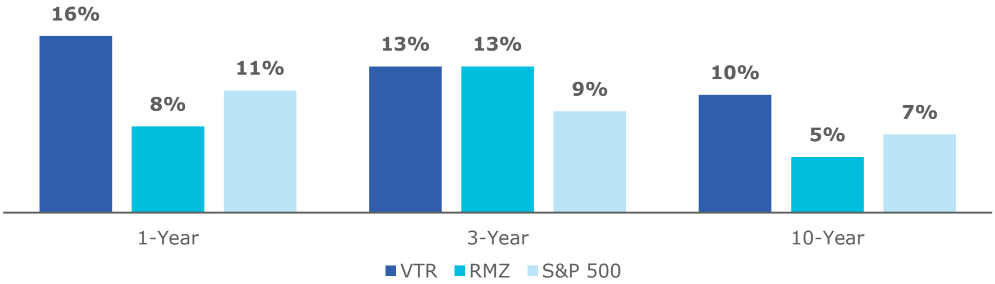
### U.S. Acute Care Hospitals

- ✓ $1.3B Acquisition of Ardent's Hospital Real Estate Network
- ✓ Commitment to Fund Ardent's Acquisition of LHP, Making it a $3B Revenues Provider

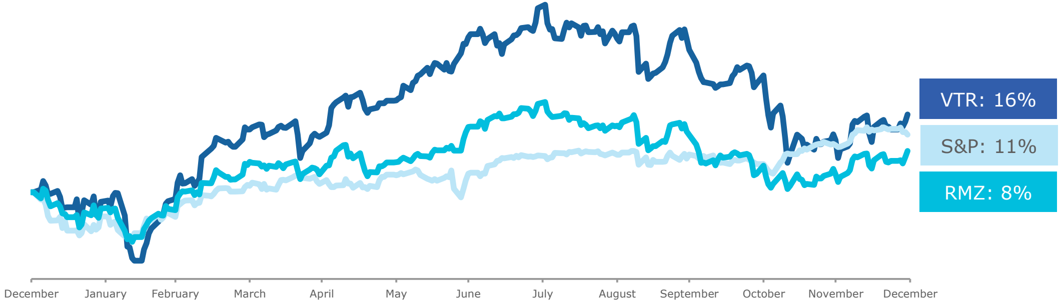
1. Data per Q3 2016 press release, supplemental and earnings conference call dated 10/28/2016. Pro forma for the expected $700M sale of 36 Kindred SNFs to Kindred on or prior to October 31, 2018 as announced on 11/14/2016; however there can be no assurance that the sale of the SNFs will occur or the terms or timing of such sale. Pro forma for the $700M loan to Ardent for its acquisition of LHP Hospital Group as announced on 10/05/2016 and expected to close in Q1 2017, pending customary regulatory reviews and approvals. Pro forma for additional anticipated acquisition activity totaling ~$1B, including the aforementioned $700M loan to Ardent, and disposition activity totaling ~$900M, including the aforementioned $700M Kindred SNF sale, as announced in the Company's preliminary 2017 outlook on 01/10/2017.

# SUPERIOR LONG-TERM RETURNS TO SHAREHOLDERS FROM HIGH-QUALITY DIVERSIFIED PORTFOLIO WITH LEADING OPERATORS

**TSR Performance – Multiple Periods**




**1-Year TSR Performance**




Source: Bloomberg.

# 2016 EXPECTATIONS & PRELIMINARY 2017 OUTLOOK[1]

| | | 2016 Expectations | Preliminary 2017 Outlook |
|---|---|---|---|
| **Highlights** | | • Approximating the **high end of previously announced norm. FFO / share guidance range**<br>• **Same-store cash NOI growth** in-line<br>• **Continued portfolio enhancement** and **accelerated capital recycling**<br>• Further **strengthening healthy balance sheet** and financial position<br>• **Benefit of profits** from various transactions and fees | • Continued **same-store NOI growth**<br>• **Strategic recycling of capital** and **disposition of nearly all of skilled nursing portfolio** at ~$600M gain<br>• **Invest in future growth** through new Wexford ground up developments<br>• **Drive an even stronger financial profile** and liquidity<br>• **Recurrence of profit benefits not expected** from transactions and fees |
| **Key Financial Metrics + Assumptions** | Normalized FFO / Share | Approximating the high end of prior guidance of $4.10-$4.13 | $4.12-$4.18 |
| | Same-Store Growth (Cash) | Total Company: Within prior 2.5%-3% guidance<br>Segments: Within previously disclosed ranges | Total Company: 1.5%-2.5%<br>Segments: Each expected to contribute positively |
| | Total Company Same-Store Growth (GAAP) | ~2% | Typically ~100bps lower than cash driven by straight-line rent |
| | New Investments (GAAP Yield) | $1.6B (7%-8%) | ~$1B (7%-8%) |
| | Asset Sales & Loan Repayments (GAAP Yield) | >$600M (~8%) | ~$900M (7%-8%) |
| | (Re)development Funding[2] | ~$150M | ~$300M |
| | Net Debt / EBITDA | 5.7x-5.8x | Consistent with year-end 2016 |
| | Debt Refinancing & Retirement | >$900M | $1B with extended tenors |
| | Weighted Average Diluted Shares | 348M | 358M |

1. As announced in the Company's 01/10/2017 press release.
2. Represents expected VTR cash funding excluding third party debt.

# KEY 2017 OUTLOOK DRIVERS[1]

**$4.12 to $4.18 2017 Normalized FFO Per Share Outlook**

- \+ 1.5% to 2.5% Same-Store Cash NOI Growth[2]
- \+ Carryover Impact of 2016 Acquisitions
- ○ $1B 2017 Acquisitions at a 7%-8% GAAP Yield Funded Principally with $900M Disposition Proceeds at a 7%-8% GAAP Yield
- − Carryover impact of 2016 dispositions + fees from tenants and borrowers
- − Extended duration on ~$1B of refinanced debt and higher rates
- − 2016 deleveraging impact (higher 2017 share count)

1. As announced in the Company's press release on 01/10/2017; tentative, preliminary and subject to change.
2. GAAP typically ~100bps lower than cash driven by straight-line rent.

# 2016 GUIDANCE & PRELIMINARY 2017 OUTLOOK[1,2,3]

## *EPS, FFO & FAD GUIDANCE ATTRIBUTABLE TO COMMON SHAREHOLDERS*

Tentative / Preliminary & Subject to Change

| | 2016 Guidance | | | | Preliminary 2017 Outlook | | | |
|---|---|---|---|---|---|---|---|---|
| | FY2016 - Guidance | | 2016 - Per Share | | FY2017 - Preliminary Outlook | | 2017 - Per Share | |
| | Low | High | Low | High | Low | High | Low | High |
| **Income from Continuing Operations** | **$525** | **$568** | **$1.51** | **$1.63** | **$613** | **$633** | **$1.71** | **$1.77** |
| Gain on Real Estate Dispositions | 100 | 90 | 0.29 | 0.26 | 649 | 679 | 1.81 | 1.89 |
| Other Adjustments[3] | (2) | (2) | (0.01) | (0.01) | (6) | (8) | (0.02) | (0.02) |
| **Net Income Attributable to Common Stockholders** | **$623** | **$656** | **$1.79** | **$1.89** | **$1,256** | **$1,304** | **$3.50** | **$3.64** |
| Depreciation & Amortization Adjustments | 901 | 870 | 2.59 | 2.50 | 871 | 887 | 2.43 | 2.48 |
| Gain on Real Estate Dispositions | (100) | (90) | (0.29) | (0.26) | (649) | (679) | (1.81) | (1.89) |
| Other Adjustments[3] | 0 | 0 | 0.00 | 0.00 | (13) | (15) | (0.04) | (0.04) |
| **FFO (NAREIT) Attributable to Common Stockholders** | **$1,424** | **$1,436** | **$4.09** | **$4.13** | **$1,465** | **$1,497** | **$4.09** | **$4.18** |
| Merger-Related Expenses, Deal Costs & Re-Audit Costs | 29 | 31 | 0.08 | 0.09 | 15 | 10 | 0.04 | 0.03 |
| Other Adjustments[3] | (27) | (31) | (0.08) | (0.09) | (3) | (9) | (0.01) | (0.03) |
| **Normalized FFO Attributable to Common Stockholders** | **$1,426** | **$1,436** | **$4.10** | **$4.13** | **$1,477** | **$1,498** | **$4.12** | **$4.18** |
| *% Year-Over-Year Comparable Growth* | | | *4%* | *5%* | | | *0%* | *1%* |
| Non-Cash Items Included in Normalized FFO | (16) | (18) | | | 1 | (2) | | |
| Capital Expenditures | (111) | (116) | | | (131) | (141) | | |
| **Normalized FAD Attributable to Common Stockholders** | **$1,299** | **$1,302** | | | **$1,347** | **$1,355** | | |
| Merger-Related Expenses, Deal Costs & Re-Audit Costs | (29) | (31) | | | (15) | (10) | | |
| **FAD Attributable to Common Stockholders** | **$1,270** | **$1,271** | | | **$1,332** | **$1,346** | | |
| Weighted Average Diluted Shares | 347,897 | 347,897 | | | 358,491 | 358,491 | | |

## Same-Store Cash NOI Growth Guidance

| | Low | High | Low | High |
|---|---|---|---|---|
| **Total Same-Store Cash NOI Growth** | **2.5%** | **3.0%** | **1.5%** | **2.5%** |

1. The Company’s guidance constitutes forward-looking statements within the meaning of the federal securities laws and is based on a number of assumptions that are subject to change and many of which are outside the control of the Company. Actual results may differ materially from the Company's expectations depending on factors discussed in the Company’s filings with the Securities and Exchange Commission.
2. 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 changes in the Company's weighted average diluted share count, if any. Same-store Cash NOI is at constant currency.
3. See page 25 of the Q3 2016 supplemental for detailed breakout of adjustments for each respective category.

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