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■ History

- ◆ 1998 Ventas Reorganization
 - Spin-off of Vencor

■ Business Plan: Survival

- ◆ Restructure Vencor
- ◆ Settle \$1.3 Billion Department of Justice Investigation/Whistleblower Lawsuits
- ◆ Restructure \$1 Billion Ventas Debt

■ Real Estate Investment Trust

- ◆ Geographically Diverse Portfolio Located in 36 States
 - 216 Skilled Nursing Facilities
 - 28,000 Beds
 - 45 Hospitals
 - 4,000 Beds
 - 8 Personal Care Facilities
- ◆ 100% Owned Assets - No Mortgages
- ◆ Leased on Long-Term Triple Net Basis

■ 1999 - 2000 Events

- ◆ Vencor Reorganization
 - Reached Agreement with Vencor and Vencor Creditors on Final Terms of Reorganization Plan
 - Plan Filed December 2000
 - Voting Deadline - February 2001
 - Confirmation Hearing - March 1, 2001
 - Effective 1H 2001

- ◆ Government Settlement
 - Release for Medicare Billing Issues
 - Dismissal of all Whistleblower Actions
 - Extraordinary Result

■ 1999 - 2000 Events

- ◆ Ventas Debt - \$1 Billion
 - New Credit Facility in Place - Rolling Maturities through 2007
 - Earliest - December 31, 2002
 - No Asset Sales or Dilutive Transactions

■ Ventas Financial Summary

- ◆ Vencor Restructuring - Ventas Treatment
- ◆ Annual Rent - May 1, 2001 - April 30, 2004
 - 3.5% Escalator Per Year

(\$Millions) - All Cash

\$ 180.7 05/01/01 - 04/30/02

\$ 187.0 05/01/02 - 04/30/03

\$ 193.6 05/01/03 - 04/30/04

■ **Ventas Financial Summary**

- ◆ **Vencor Restructuring - Ventas Treatment**
 - **Re-set Right - 2006**
 - **Unilateral Right to Reset Lease to "Market"**
 - **Capture Upside in REIT Compliant way**
 - **Vencor Equity - 9.99%**
 - **Highly speculative valuation**
 - **Sensitive to EBITDAR and Vencor Multiple**
 - **Vencor Bankruptcy Filing Places \$439 Million Value on Total Vencor Equity**

■ Ventas Financial Summary

◆ Ventas Debt

- Amortized \$87 Million Debt in 2000
 - \$35 Million Scheduled March 31, 2001
- No Asset Sales or Dilutive Transactions
- Fixed Obligations - \$852 Million of Long-Term Debt - March 31, 2001
 - » LIBOR Spreads (275-425); LIBOR Fixed at 6%

| Ventas Debt | | | | |
|--------------------------|-----------------|--------------------------|---------------|-------------------------|
| Pro Forma March 31, 2001 | | | | |
| (\$ Millions) | <u>Maturity</u> | <u>Balance</u> | <u>Rate</u> | <u>Interest</u> |
| Tranche A | 12/31/02 | \$ 98,000 | 8.75% | \$ 8,575 |
| Tranche B | 12/31/05 | 280,000 | 9.75% | 27,300 |
| Tranche C | 12/31/07 | 474,000 | 10.25% | 48,585 |
| Annual Deferred Fees | | | | <u>2,500</u> |
| Total | | <u>\$ 852,000</u> | 10.21% | <u>\$ 86,960</u> |

■ Ventas Financial Summary

◆ Fixed Obligations

- Government Settlement

- Ventas Portion - \$104 Million

- » \$34 million payable at Vencor Effective Date

- » \$70 million payable quarterly over five (5) years at 6% interest

- » Level payment schedule - \$16 million annual cash flow obligation

■ Key Features

- ◆ Strong Internal Revenue Growth
 - 3 1/2% Rent Increase Annually

| In (\$Millions) | | |
|-----------------|-------|-----------|
| Date | Rent | Per Share |
| April 30, 2002 | \$6.3 | \$0.09 |
| April 30, 2003 | \$6.5 | \$0.09 |
| April 30, 2004 | \$6.8 | \$0.10 |

■ Key Features

◆ Property Level Fundamentals

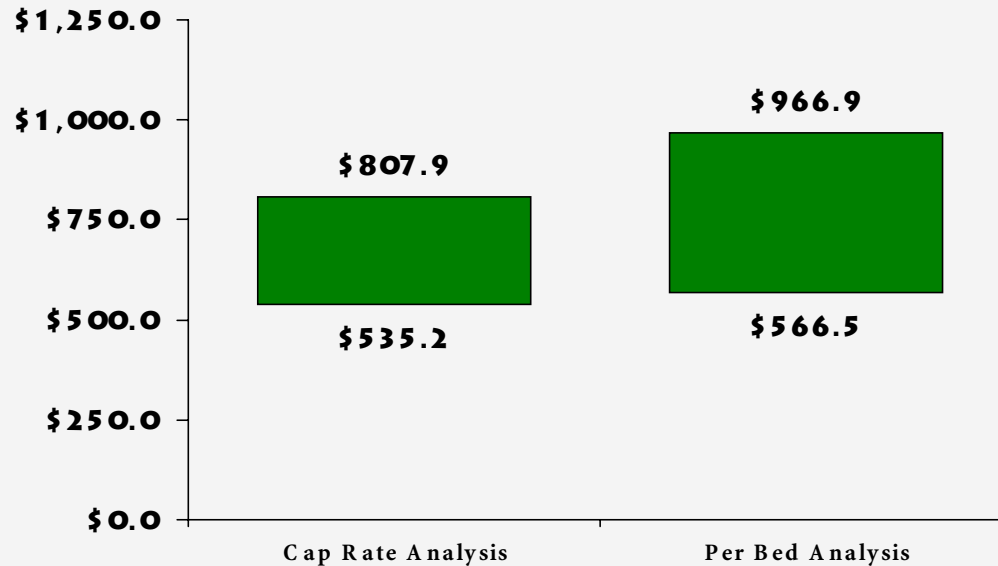
| Facility Level Coverage | | |
|-------------------------|--------------------------|-------------------------|
| | EBITDARM/Rent (1) | EBITDAR/Rent (1) |
| SNFs | 1.88 x | 1.50 x |
| Hospitals | 2.28 x | 1.88 x |
| Blended | 2.03 x | 1.64 x |

(1) Based on 9 month 2000 actual results annualized and 2001 rent levels.

- Each property is in this range of coverage

■ Key Features

◆ Net Asset Value (\$ Millions)



- NAV per share
 - Cap Rate \$7.80 - \$11.70
 - Per Bed \$8.20 - \$14.00

■ Key Features

- ◆ Net Asset Value Assumptions
 - Cap Rate Assumptions
 - 10.5-12.5% SNFs; 11.5-13.5% hospitals
 - Bed Price Assumptions
 - \$35-\$45k per bed SNFs; \$130-\$160k per bed hospitals
 - No value placed on Vencor equity
 - Regulatory barriers to entry limit new supply
 - Based on 12/31/00 balance sheet and 1/1/02 rent

■ Areas of Opportunity

- ◆ Reduce Debt Costs
 - 100 bps Improvement = \$8.5 Million (\$.12/share)
- ◆ Vencor Equity
 - Maximizing Valuation
 - Appreciation Allows De-levering
- ◆ Potential for Increased Dividend
 - Credit Agreement Provides Minimum REIT Dividend
 - Paydown/Re-finance of \$78 Million after March 31, 2000
 - Quarterly Schedule
- ◆ Diversification

■ Recap

- ◆ Vencor Plan Near Completion
- ◆ Government Settlement Approved
- ◆ Ventas Long-Term Debt Restructuring in Place
- ◆ Ventas Stable and Improving
 - Strong Cash Flow Growth
 - Substantial Net Asset Value
 - Debt Amortization and Potential Rate Reduction
 - Capture Upside through Vencor Equity and Re-set Right
 - Potential Dividend Increase
 - Industry Perception Improving

