



## Investing in Healthcare Real Estate for Over 30 Years

BAML High Yield Conference  
December 1, 2011

## Cautionary Statements

### Forward-Looking Statements

This presentation may include forward-looking statements. Forward-looking statements can be identified by the use of words such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “intends,” “continue” or similar terminology. These forward-looking statements are made based on our current expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. These uncertainties include, but are not limited to, uncertainties relating to the operations of our tenants, including those relating to reimbursement by government and other third-party payors, compliance with regulatory requirements and occupancy levels, regulatory, reimbursement and other changes in the healthcare industry, the performance and reputation of our tenants, our ability to successfully engage in strategic acquisitions and investments, the effect of general market, economic and political conditions, the availability and cost of capital, changes in tax laws and regulations affecting REITs and our ability to maintain our status as a REIT. Important factors that could cause actual results to differ materially from our expectations include those disclosed under “Risk Factors” and elsewhere in filings made by Aviv REIT, Inc. and Aviv Healthcare Properties Limited Partnership with the Securities and Exchange Commission.

### Note Regarding Non-GAAP Financial Measures

This release includes financial measures, including Adjusted EBITDA and Adjusted FFO, that are derived on the basis of methodologies other than in accordance with generally accepted accounting principles (GAAP). These measures are non-GAAP measures that may be calculated differently from measures used by other companies and should not be considered measures of liquidity, alternatives to net income or indicators of any other performance measure determined in accordance with GAAP, nor are they indicative of funds available to fund our cash needs, including our ability to make payments on our indebtedness. See the Appendix as well as Aviv’s most recent earnings release and filings with the SEC for the definitions of, and additional information regarding, these measures and reconciliations of these measures to the GAAP measures we consider most comparable.

### Market and Statistical Information

Aviv obtained the industry and market data used throughout this presentation from its own research, information provided by its operators and studies conducted by third parties, independent industry associations or general publications and other publicly available information. Independent industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. Forecasts are particularly likely to be inaccurate, especially over long periods of time.

# Extensive Industry and Business Experience

## Craig M. Bernfield – Chairman, CEO and President

21 years building the Company

Architect and co-founder of Aviv

Successful industry investor for over 20 years

Significant ownership

## Steven J. Insoft - Chief Financial Officer

6 years building the Company

20 years as industry investor and operator

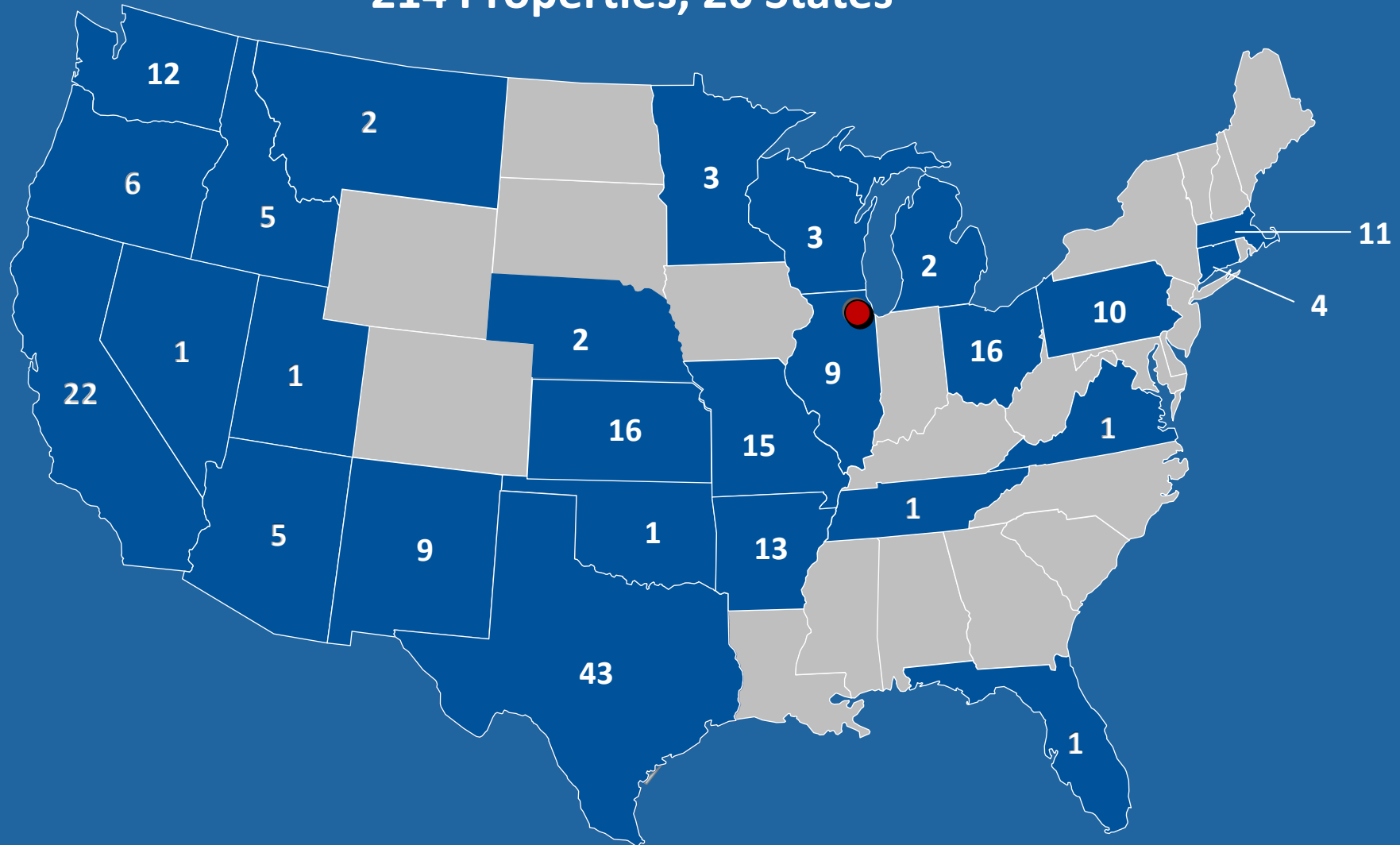
8 years as senior officer at NHP (NYSE)

Significant ownership



# National Presence

214 Properties, 26 States



● Headquarters – Chicago, IL

# Proven Investment Thesis

Operator relationships

Value based buyer

Quality real estate

Diversification

Social contract



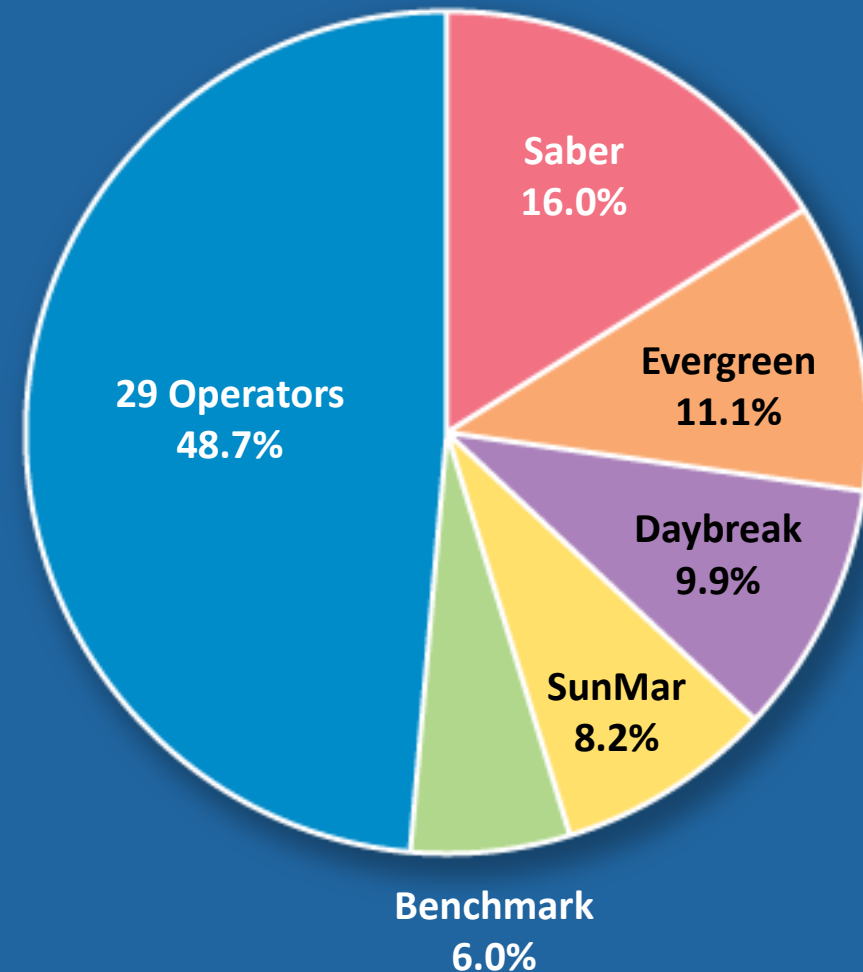
# High Quality Operators

Relationship oriented

Knowledge and expertise

Strong management

Proven track records



# Established Operators

## Aviv Tenants Operate Approximately 800 Properties

Company	Revenues (\$mm's)	Properties	Aviv		
			Properties	Years	Rank
Sun	\$1,943	199	12	18	10
Preferred Care	450	67	4	3	14
Covenant Care	450	51	2	14	18
Evergreen	265	43	17	14	2
Daybreak	249	75	32	8	3
Saber	221	56	25	6	1
Orion	212	43	1	3	26
SunMar	196	26	13	16	4
Markleysburg	100	30	5	14	15
	\$4,085	590	111		

Based on information provided by tenants and publicly available data.

# Key Real Estate Metrics

6.7 million SF - 31,000 SF per building

\$132 gross book value per SF

\$43,000 gross book value per bed

\$16 rent per SF



# Focused on Real Estate

Dedicated real estate experts

\$25.2 million funded for reinvestment in  
51 properties, 5,229 beds

\$13 per SF, \$4,800 per bed

Operators fund routine capital expenditures



# Commitment to Asset Management

Daily tenant interaction

Focus on right operator

Offense and defense

Strong portfolio coverage

1.9x EBITDARM

1.4x EBITDAR



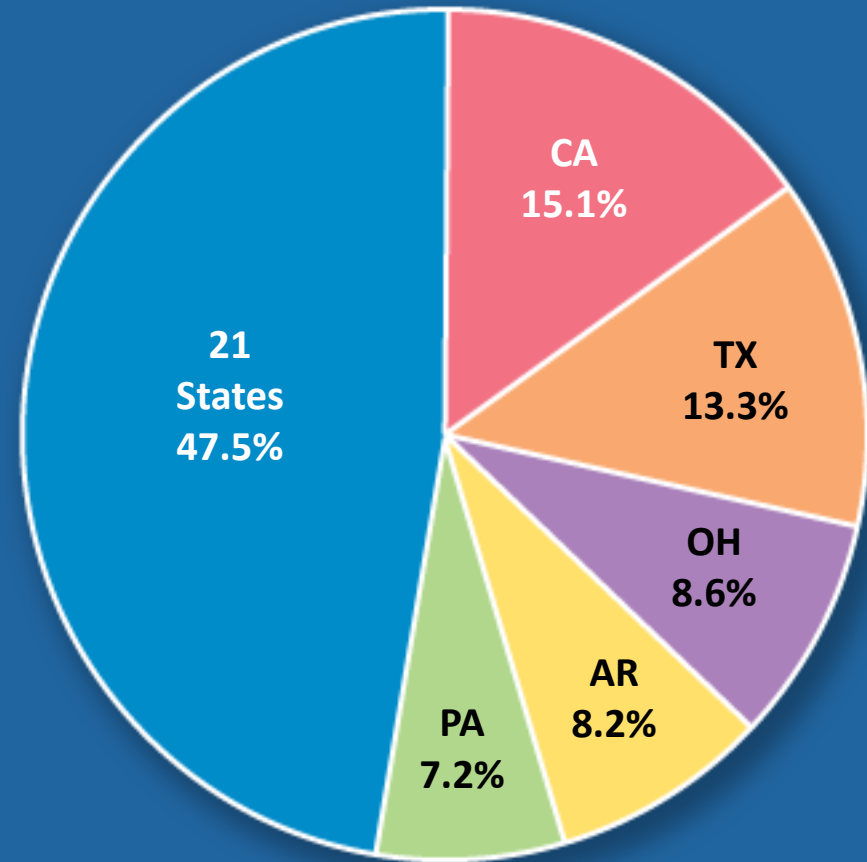
# Diversification is Integral to Success

Operators

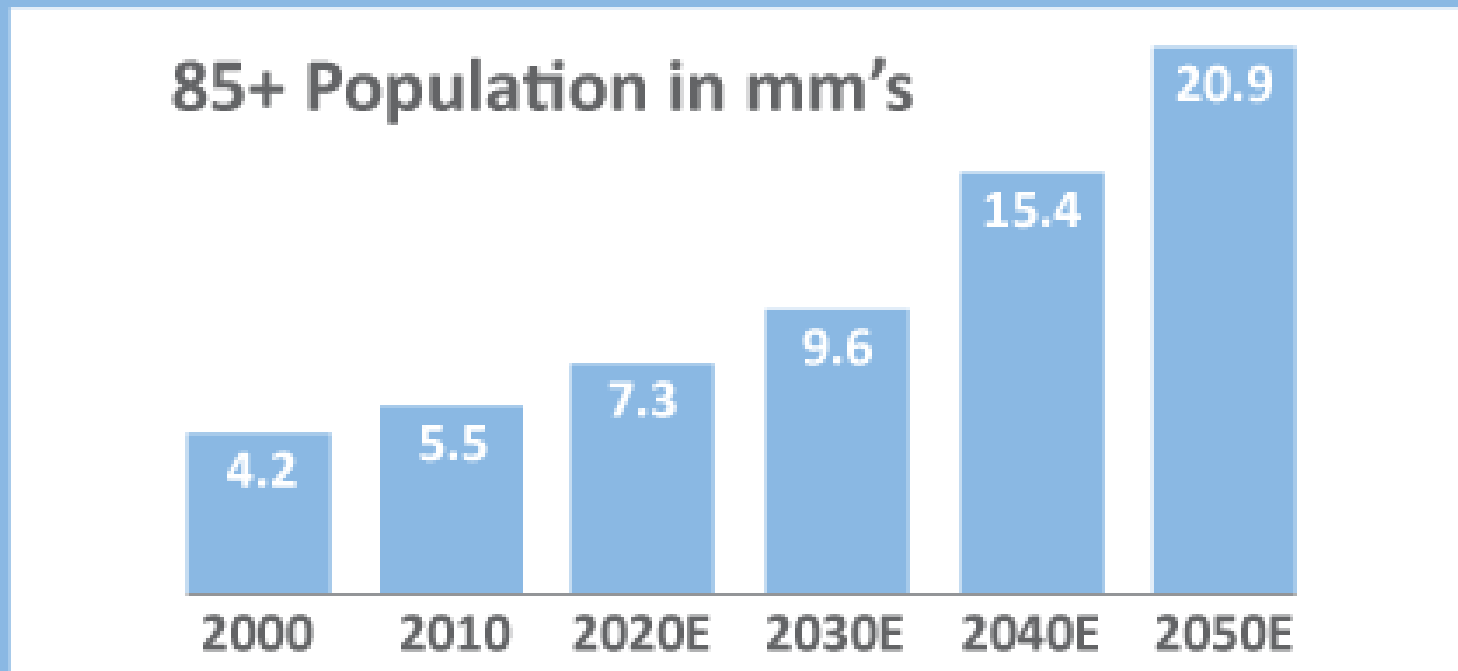
States

Medicaid vs. Medicare

Private vs. government pay



## 85+ Fastest Growing Segment of Population



## Significant Barriers to Entry



# Social Contract

Well-established policy to care for the elderly since 1965

Government expected to provide adequate funding

Stable through healthcare reform and economic crisis

Medicaid stable and Medicare subject to significant change



# Significant Growth in 2011

\$172.1 million total investment

Attractive additional pending investments

18% increase in total assets YTD

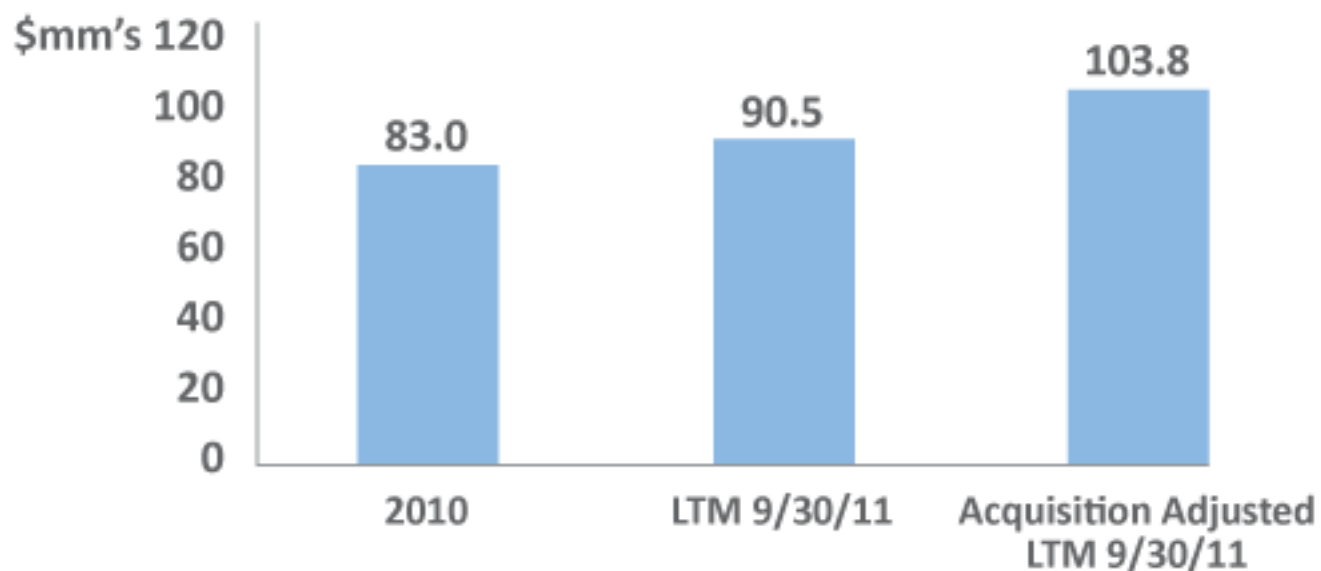
Further Diversification

Operators: 5 existing, 3 new

States: 6 existing, 2 new

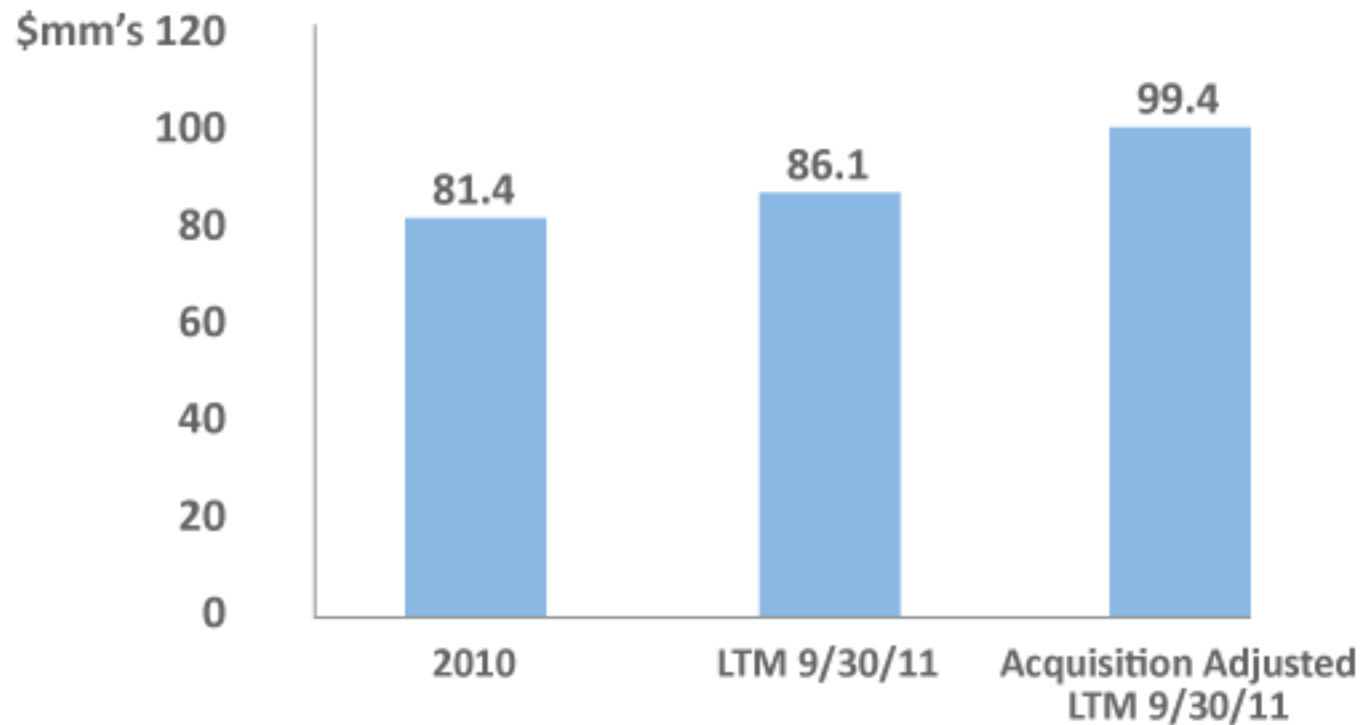


# Cash Rents and Loan Interest

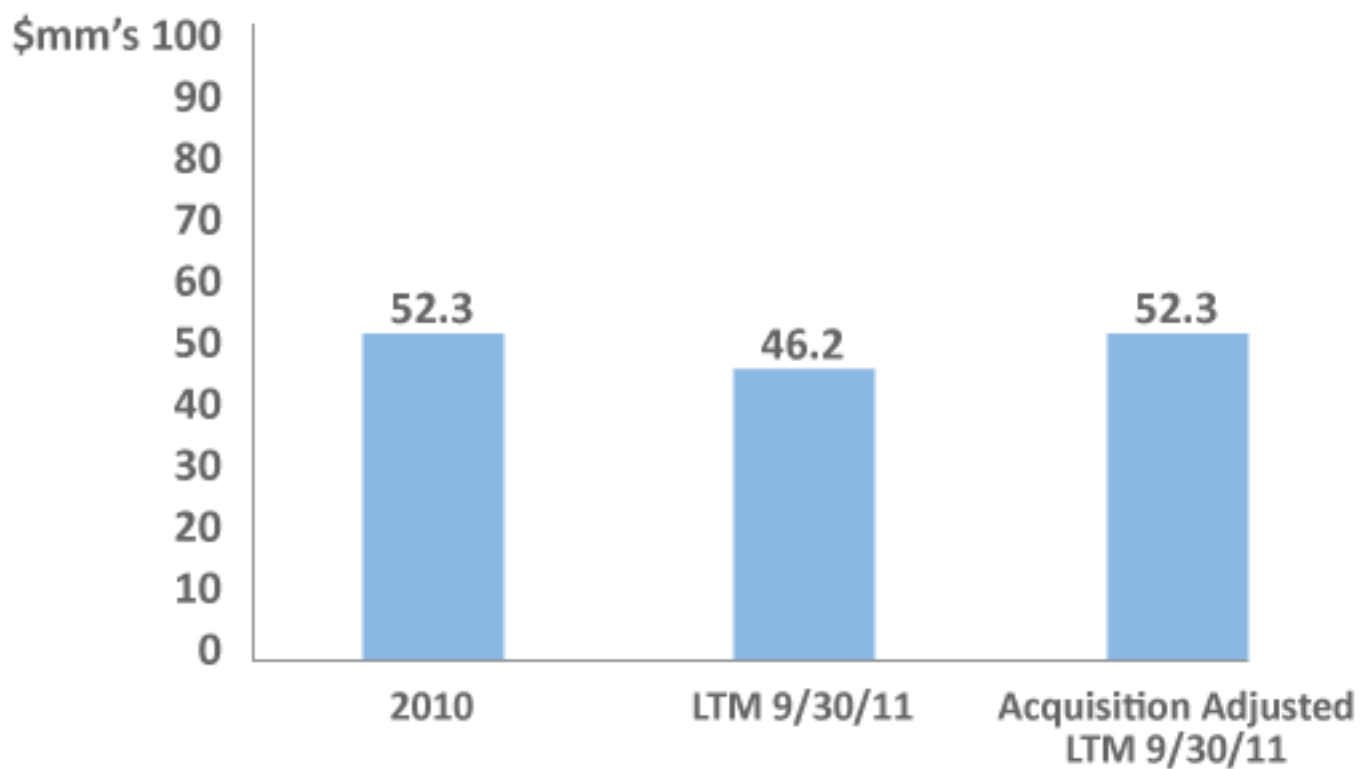


Acquisition adjusted LTM 9/30/11 cash rents and loan interest includes \$13.2 mm in additional cash rents for annualization of acquisitions completed between 10/1/10 and 11/23/11. See appendix for reconciliation.

# Adjusted EBITDA



Acquisition adjusted LTM 9/30/11 Adjusted EBITDA includes \$13.2 mm in additional cash rents for annualization of acquisitions completed between 10/1/10 and 11/23/11. See appendix for reconciliation.



Acquisition adjusted LTM 9/30/11 AFFO includes \$13.2 mm in additional cash rents for annualization of acquisitions completed between 10/1/10 and 11/23/11. See appendix for reconciliation.

# Capital Structure

1.9x asset coverage

52.7% unsecured debt/total debt

\$267.8 million equity invested by  
Lindsay Goldberg, LLC

Ratings:            Moody's:        Ba3/B1  
                         S&P:            B+/B+



# Capacity and Liquidity

\$63.2 million under acquisition facility  
and revolver

\$150 million revolver in progress

Strong sponsorship for additional equity



# Property Photos



# Appendix

# Adjusted EBITDA Reconciliation



\$ 000's	<u>2010</u>	<u>9 Mos Ended</u>		<u>LTM</u>
		<u>9/30/2011</u>	<u>9/30/2010</u>	<u>9/30/2011</u>
Net (Loss) Income	37,983	7,426	31,962	13,447
Adjusted For:				
Interest Expense	22,723	26,227	16,124	32,826
Depreciation	17,854	15,304	13,248	19,910
Amortization of Financing Fees	<u>1,008</u>	<u>1,996</u>	<u>473</u>	<u>2,531</u>
<b>EBITDA</b>	<b>79,568</b>	<b>50,953</b>	<b>61,807</b>	<b>68,714</b>
<b>EBITDA</b>	<b>79,568</b>	<b>50,953</b>	<b>61,807</b>	<b>68,714</b>
Adjusted For:				
Gain on Sale of Assets	(512)	-	(582)	70
Loss on Impairment	96	859	96	859
Indemnity Payments	1,003	2,322	1,003	2,322
Stock-based Compensation	2,219	1,599	345	3,473
Loss on Debt Extinguishment	2,295	3,806	2,285	3,816
Deferred Rent Write Offs	3,367	6,785	1,897	8,255
Less:				-
Rental Income from Intangible Amt.	(3,681)	(1,044)	(3,319)	(1,406)
Chg in Fair Vale of Derivatives	<u>(2,931)</u>	<u>-</u>	<u>(2,931)</u>	<u>-</u>
<b>Adjusted EBITDA</b>	<b>81,424</b>	<b>65,280</b>	<b>60,601</b>	<b>86,103</b>

# AFFO Reconciliation



\$ 000's	9 Mos Ended			LTM
	<u>2010</u>	<u>9/30/2011</u>	<u>9/30/2010</u>	<u>9/30/2011</u>
Net (Loss) Income	37,983	7,426	31,962	13,447
Adjusted For:				
Depreciation	17,854	15,304	13,248	19,910
Gain on Sale of Assets	<u>(512)</u>	<u>-</u>	<u>(582)</u>	<u>70</u>
<b>FFO</b>	<b>55,325</b>	<b>22,730</b>	<b>44,628</b>	<b>33,427</b>
<b>FFO</b>	<b>55,325</b>	<b>22,730</b>	<b>44,628</b>	<b>33,427</b>
Adjusted For:				
Deferred Rental Loss (Income)	<b>(6,424)</b>	(5,198)	(4,498)	<b>(7,124)</b>
Add: Deferred Rent Write Offs	<b>3,367</b>	6,785	1,897	<b>8,255</b>
Rental Income from Intangible Amt.	<b>(3,681)</b>	(1,044)	(3,319)	<b>(1,406)</b>
Amortization of Def. Financing Fees	<b>1,008</b>	1,997	473	<b>2,532</b>
Loss on Debt Extinguishment	<b>2,295</b>	3,806	2,285	<b>3,816</b>
Loss on Impairment	<b>96</b>	859	96	<b>859</b>
Indemnity Payments	<b>1,003</b>	2,322	1,003	<b>2,322</b>
Stock-based Compensation	<b>2,219</b>	1,599	345	<b>3,473</b>
Chg in Fair Vale of Derivatives	<u><b>(2,931)</b></u>	<u>-</u>	<u>(2,931)</u>	<u>-</u>
<b>AFFO</b>	<b>52,278</b>	<b>33,856</b>	<b>39,979</b>	<b>46,154</b>

# Acquisition Adjusted LTM 9/30/11 Reconciliation



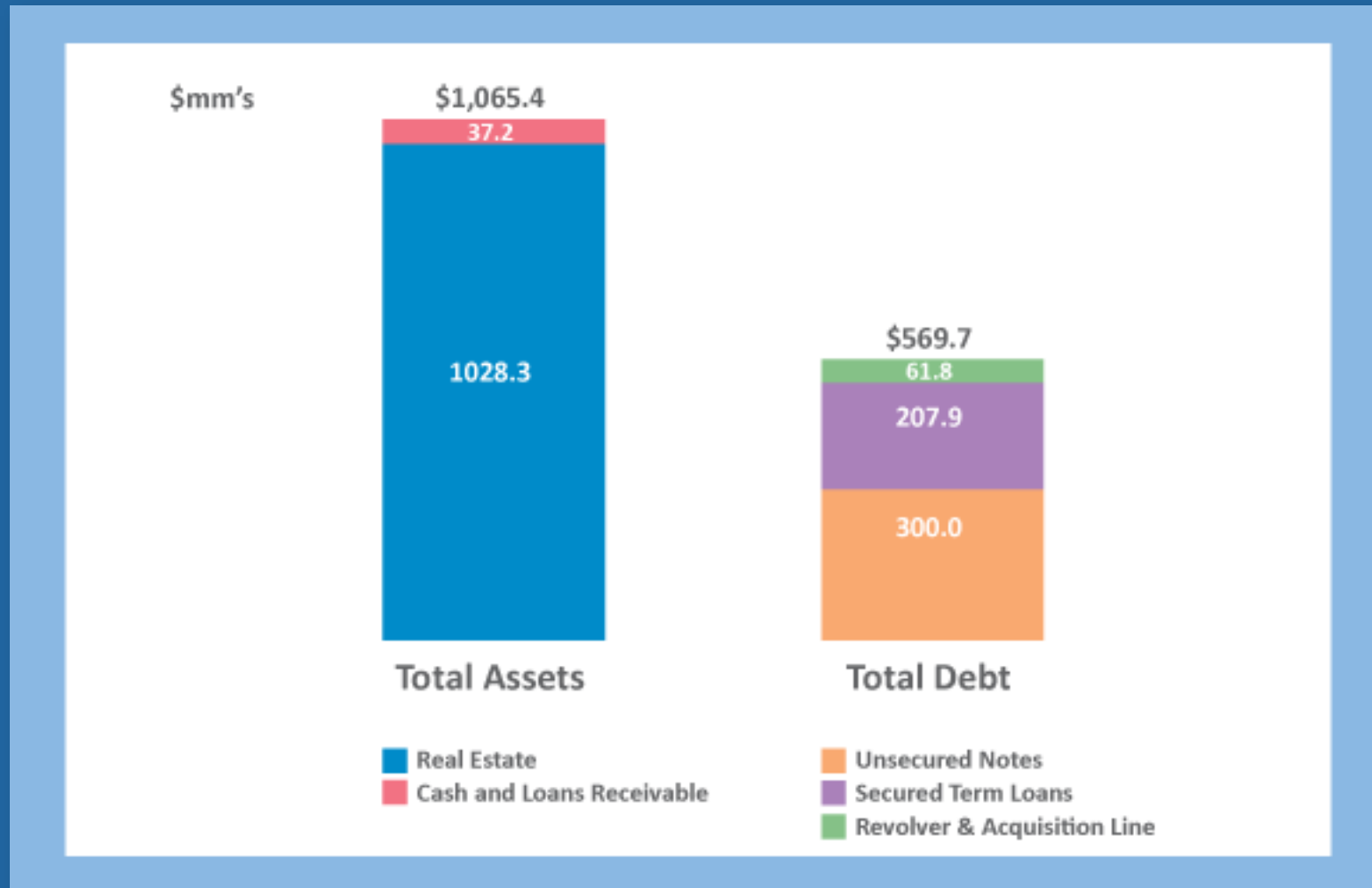
\$ 000's	2010	9 Mos Ended		LTM	Acq. Adjustments	LTM 9/30
		9/30/2011	9/30/2010	9/30/2011		Acq. Adjusted
<b>Total Revenues</b>	<b>96,158</b>	74,026	72,475	97,709	13,256	<b>110,965</b>
Adjusted For:						
Deferred Rental Loss (Income)	(6,424)	(5,198)	(4,498)	(7,124)		
Deferred Rent Write Offs	3,367	6,785	1,897	8,255		
Rental Income from Intangible Amt.	(3,681)	(1,044)	(3,319)	(1,406)		
Tenant Recoveries	(6,443)	(5,326)	(4,850)	(6,918)		
<b>Cash Rents &amp; Loan Interest</b>	<b>82,978</b>	69,243	61,705	90,516	13,256	<b>103,773</b>
Cash Rents (1)	77,753	65,325	57,858	85,220	13,256	98,476
Loan Interest	5,226	3,918	3,847	5,297	-	5,297
<b>Cash Rents &amp; Loan Interest</b>	<b>82,978</b>	<b>69,243</b>	<b>61,705</b>	<b>90,516</b>		<b>103,773</b>
<b>Adjusted EBITDA</b>	<b>81,424</b>	<b>65,280</b>	<b>60,601</b>	<b>86,103</b>	<b>13,256</b>	<b>99,359</b>
Acq. Adjusted Interest Expense (2)						(39,936)
<b>AFFO (3)</b>	<b>52,278</b>	<b>33,856</b>	<b>39,979</b>	<b>46,154</b>		<b>52,300</b>

(1) Acquisition adjustments of \$13.2mm in Cash Rents include \$5.7mm for annualization of acquisitions completed during the 12 months ended 9/30/11 plus \$7.5mm for annualized Cash Rents from acquisitions completed in Q4 2011 through 11/23/11.

(2) Reflects 7.01% weighted average interest rate on \$569.7mm of Total Debt, consisting of \$522.9mm (excluding \$2.6mm premium on unsecured notes) at 9/30/11 plus \$46.8mm of incremental debt for acquisitions completed in Q4 2011 through 11/23/11.

(3) Reflects LTM 9/30 AFFO of \$46.2mm plus \$13.2mm in Acquisition adjusted Cash Rents plus LTM 9/30 Interest Expense of \$32.8mm less Acq. Adjusted Interest Expense of \$39.9mm.

# Capital Structure



Total assets based on bond indenture. Real estate assets of \$1,028.3 mm based on \$856.2 million at 12/31/10 plus \$172.1 million of completed investments in 2011 through 11/23/11. Cash and loans receivable of \$37.2mm based on \$6.3 million of cash and cash equivalents and \$30.9 million of loan receivables at 9/30/11. Total debt of \$569.7mm, based on \$522.9mm at 9/30/11 (excluding \$2.6mm premium on unsecured notes) plus \$46.8mm incremental debt for \$74.1mm completed acquisitions in Q4 through 11/23/11.