

FITCH AFFIRMS VENTAS, INC.'S SENIOR UNSECURED DEBT AT 'BBB-'

Fitch Ratings-New York-31 August 2007: Fitch Ratings has affirmed the following credit ratings for Ventas, Inc. (NYSE: VTR, 'Ventas,' or 'the company'):

- Issuer Default Rating at 'BBB-'
- Unsecured revolving credit facility at 'BBB-'
- Convertible unsecured senior notes at 'BBB-'
- Senior unsecured notes at 'BBB-'

Fitch's rating action affects approximately \$1.7 billion of securities. The Rating Outlook is Stable.

The ratings affirmation is supported by VTR's geographically diverse real estate portfolio of 250 seniors housing communities, 197 skilled nursing facilities, 42 hospitals, and 22 medical office and other buildings in 43 states and two Canadian provinces as of June 30, 2007. Fitch's rating action is also reflective of the company's noteworthy growth during the past four years. VTR acquired ElderTrust for \$184 million in February 2004, Provident Senior Living Trust for \$1.2 billion in June 2005, the Senior Care portfolio ('Senior Care') for \$602.4 million in November 2006, and the assets of Sunrise Senior Living Real Estate Investment Trust ('Sunrise REIT') for \$2 billion in April 2007. As of June 30, 2007, the company had \$5.7 billion in total book assets and approximately \$8 billion in total market capitalization.

After the Sunrise REIT acquisition in April, the company's leverage was considered adequate for the current ratings on a risk-adjusted basis. In addition, as of June 30, 2007, debt was equal to 55.6% of undepreciated book capital and 41.4% of gross asset value (per revolving line of credit computations), both of which are appropriate for the 'BBB-' senior unsecured debt rating.

Furthermore, the current ratings point to the company's liquidity position, a critical factor given the current state of the credit markets. VTR generated \$77.7 million of operating cash flow in the second quarter of 2007, held a modest level of unrestricted cash as of June 30, 2007, and maintained healthy availability under a committed \$600 million unsecured line of credit and \$150 million uncommitted accordion feature at the end of the second quarter of 2007. Finally, the ratings account for VTR's strong corporate governance practices and experienced management team.

The ratings affirmation also acknowledges credit concerns, including the extent to which VTR is a secured borrower. Secured debt was equal to 46% of total debt, 25.6% of undepreciated book capital and 19% of gross asset value as of June 30, 2007, higher than that of several other healthcare real estate investment trusts. Although VTR gradually decreased secured borrowings for several years ending Dec. 31, 2006, the company assumed \$861.1 million of mortgage debt in connection with the Sunrise REIT acquisition. As a result, secured debt as a percentage of total debt is currently considered somewhat high for the outstanding ratings.

Another credit consideration focuses on VTR's property-level operators and specifically, the company's EBITDARM (earnings before interest, taxes, depreciation, amortization, rents, and management fees) coverage of rents. EBITDARM coverage of rents was 1.8 times (x) for the 12 months ending March 31, 2007 for VTR's entire triple-net lease portfolio, a level with which Fitch is comfortable. That being the case, EBITDARM coverage levels were materially lower for operators such as Brookdale Senior Living Inc., Capital Senior Management, Senior Care, Summerville Senior Living, and Trans Healthcare, Inc. However, seniors in these facilities are predominantly private payors, and therefore EBITDARM coverage ratios at these facilities are consistent with general trends in the health care real estate market.

The Stable Rating Outlook reflects the successful integration of Sunrise REIT, which in Fitch's view solidified VTR's investment-grade credit ratings. The 78-property portfolio, which is operated

by Sunrise Senior Living, Inc., is diversified across 19 states and two Canadian provinces, while occupancy among stabilized Sunrise REIT properties is 93%. Also, Fitch notes that the Sunrise REIT transaction provided VTR with revenue balance. Namely, VTR currently receives 42% of annualized revenues (based on second quarter 2007 revenues) directly from seniors in its operating portfolio, complementing earnings from the company's triple-net lease portfolio (58% of second quarter 2007 annualized revenues).

During the next 12 to 24 months, Fitch will closely monitor VTR's fixed charge coverage ratios, defined as recurring EBITDA less capital expenditures less straight-line rent adjustments, divided by interest expense, capitalized interest, and preferred dividends. VTR's fixed charge coverage ratio was 2.2x in the second quarter of 2007, compared to 2.8x in 2005 and 2.7x in 2006. However, Fitch notes that the increased size and diversity of VTR's portfolio following the Sunrise REIT transaction somewhat offset this fixed charge coverage trend.

Fitch will also closely monitor the extent to which VTR's unencumbered property portfolio grows and the extent to which secured debt declines as a percentage of total debt. Fitch will additionally focus on the company's liquidity position, particularly in terms of operating cash flow and availabilities under committed lines of credit.

Ventas, Inc. is a Louisville, KY-based REIT with a portfolio of seniors housing and healthcare-related properties in the U.S. and Canada. Ventas and certain of its wholly owned subsidiaries have fully and unconditionally guaranteed, on a joint and several basis, the obligation to pay principal and interest with respect to the outstanding senior notes of the company's Operating Partnership (Ventas Realty, Limited Partnership or 'Ventas Realty') and Ventas Capital Corporation ('Ventas Capital'). Ventas Capital is a wholly owned direct subsidiary of Ventas Realty that was formed to facilitate the offering of the company's senior notes and has no assets or operations. In addition, Ventas Realty and several wholly owned subsidiary guarantors have fully and unconditionally guaranteed, on a joint and several basis, the obligation to pay principal and interest with respect to Ventas's senior convertible notes. ElderTrust Operating Limited Partnership, of which Ventas owns substantially all of the partnership units, and certain of its wholly owned subsidiaries, have also provided a guarantee, on a joint and several basis, of the outstanding senior notes and senior convertible notes.

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