

Rating Action: Ventas Inc.
Moody's upgrades Ventas to Ba1 stable
\$1.6 Billion of Securities Affected.

New York, September 24, 2007 -- Moody's Investors Service upgraded the senior debt ratings of Ventas Realty Limited Partnership to Ba1, from Ba2. The rating outlook is stable.

"This upgrade results from the scale and tenant diversification benefits accruing to Ventas following its acquisition of Sunrise Senior Living Real Estate Investment Trust, its successful track record in integrating large transactions, and its growing leadership position in the health care real estate industry," noted Karen Nickerson, Moody's analyst.

Ventas' capital structure has fluctuated over recent years, with negative fluctuations directly tied to its efforts to expand and diversify through acquisitions. The result has been a significant level of secured debt -- 25% of gross assets at 2Q07. Moody's believes management is committed to addressing this matter, in part demonstrated by its \$1 billion common equity offering to finance the Sunrise acquisition. Nevertheless, reducing secured debt will be slow, though Moody's believes it will occur. In addition, tenant and operator concentrations remain high, although they are much reduced from levels of several years ago. In order to address these twin matters effectively, as well as expand, Ventas will likely need to at least partly make property acquisitions outside of senior housing and skilled nursing -- most likely in medical office buildings.

In order to reach investment grade status, Ventas would need to permanently address its tenant/operator concentration, and reduce its secured debt while maintaining leverage close to 5.0X. A significant investment in medical office buildings would strengthen the REIT's diversity, while also opening a new avenue for growth. Moody's stated that an upgrade to Baa3 would also depend on the ability of the REIT to bring its secured debt level below 15% of gross assets, reduce its top two tenant exposure closer to 25% of revenue, while sustaining leverage at 5.0x. Continuing to increase its exposure to private pay health care segments and grow overall in size would also be viewed positively.

A rating downgrade would likely result if Ventas were to change to a more aggressive capital strategy, demonstrated by sustained secured debt above 25%, most likely driven by a leveraged strategic transaction.

The following ratings were upgraded:

Ventas Realty Limited Partnership -- Senior debt to Ba1, from Ba2; senior debt shelf to (P)Ba1, from (P)Ba2; subordinated debt shelf to (P)Ba2, from (P)B1

Ventas, Inc. -- Senior guaranteed debt to Ba1, from Ba2; senior debt shelf to (P)Ba2, from (P)Ba3; subordinated debt shelf to (P)Ba3, from (P)B1; preferred stock shelf to (P)Ba3, from (P)B1

Ventas Capital Corporation -- senior debt shelf to (P)Ba1, from (P)Ba2; subordinated debt shelf to (P)Ba2, from (P)B1

Ventas, Inc. [NYSE: VTR] is a health care real estate investment trust that owns 252 senior housing communities, 197 skilled nursing facilities, 42 hospitals and 22 medical office and other properties in 43 states and two Canadian provinces, including 78 senior housing communities acquired from Sunrise Senior Living Real Estate Investment Trust. At June 30, 2007, Ventas had \$5.7 billion in book assets.