



2008 Chairman's Letter to Investors

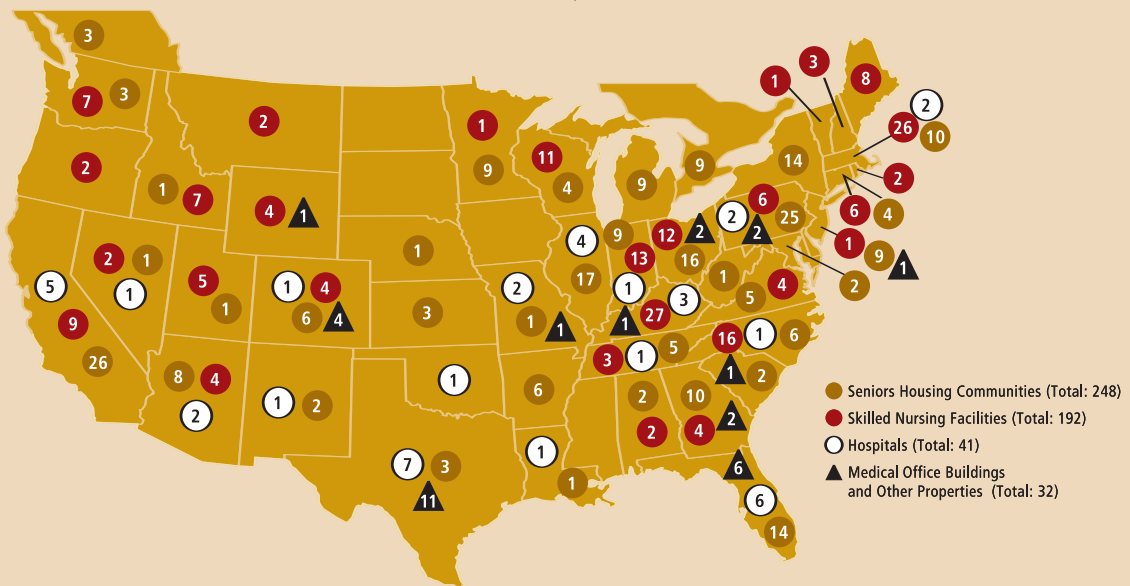
Ventas, Inc. is a leading healthcare real estate investment trust (REIT). Its portfolio includes 513 seniors housing and healthcare properties containing approximately 50,000 licensed beds and seniors housing units, strategically located in 43 states and 2 Canadian provinces.

Ventas at a Glance 2008

Total Shareholder Return (TSR)	↓22%
Compound Five-Year Annual TSR	↑14%
Normalized FFO Per Share	↑2%
Annual Dividend Per Share	↑8%
Total Acquisition Activity	\$300 million

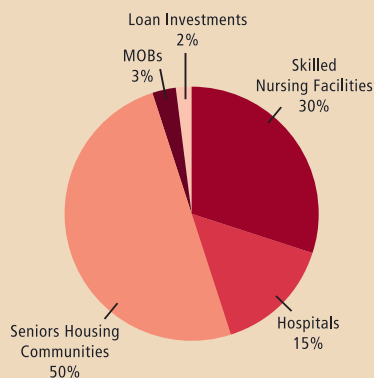
Ventas's Diversified Portfolio of Seniors Housing and Healthcare Properties

As of December 31, 2008



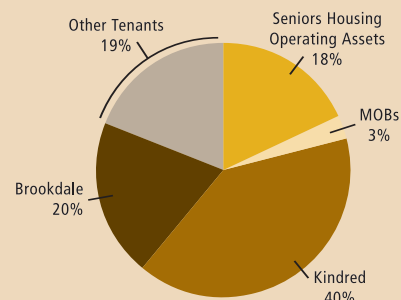
Asset Class Diversification (% of NOI)

As of December 31, 2008



Tenant Diversification (% of NOI)

As of December 31, 2008



Financial Highlights*

2008

	2008	2007	2006
(in thousands, except per share amounts)			
Operating Data:			
Rental Income	\$ 487,436	\$ 465,069	\$ 388,167
Resident Fees and Services	429,257	282,226	—
Total Revenues	929,766	752,720	397,951
EBITDA ¹	664,682	698,909	396,496
Normalized EBITDA ²	612,782	552,431	400,709
Income from Continuing Operations			
Applicable to Common Shares	181,814	137,510	122,072
Net Income Applicable to Common Shares	226,288	277,119	131,430
Share Data:			
FFO, Diluted ³	\$ 2.97	\$ 3.07	\$ 2.38
Normalized FFO, Diluted ⁴	\$ 2.74	\$ 2.69	\$ 2.44
FAD, Diluted ⁵	\$ 2.58	\$ 2.49	\$ 2.25
Income from Continuing Operations			
Applicable to Common Shares, Diluted	\$ 1.30	\$ 1.12	\$ 1.16
Net Income Applicable to Common Shares, Diluted	\$ 1.62	\$ 2.25	\$ 1.25
Dividends Paid for Year	\$ 2.05	\$ 1.90	\$ 1.58
Weighted Average Shares Outstanding, Diluted	139,912	123,012	104,731
Closing Stock Price as of December 31	\$ 33.57	\$ 45.25	\$ 42.32
Shares Outstanding as of December 31	143,287	133,651	106,137
Other Data as of December 31:			
Equity Market Capitalization	\$ 4,810,145	\$ 6,047,698	\$ 4,491,718
Total Capitalization	\$ 7,949,285	\$ 9,395,374	\$ 6,828,707
Debt/Total Capitalization	39.5%	35.6%	34.2%

- Earnings before interest (including gain or loss on extinguishment of debt), taxes, depreciation, amortization and non-cash stock-based compensation, including amounts in discontinued operations.
- EBITDA excluding: (a) merger-related expenses in 2008 and 2007; (b) reversal of contingent liability in 2008 and 2006; (c) provision for loan losses in 2008; (d) gain on foreign currency hedge in 2007; (e) preferred stock dividends and issuance costs in 2007; (f) net gain on sale of marketable equity securities in 2007 and 2006; (g) rent reset costs in 2006; and (h) gain on sale of real estate assets in 2008 and 2007.
- Funds from Operations.
- FFO excluding: (a) merger-related expenses in 2008 and 2007; (b) reversal of contingent liability in 2008 and 2006; (c) provision for loan losses in 2008; (d) income tax benefit in 2008 and 2007; (e) gain or loss on extinguishment of debt; (f) gain on foreign currency hedge in 2007; (g) preferred stock issuance costs in 2007; (h) net gain on sale of marketable equity securities in 2007 and 2006; (i) rent reset costs in 2006; and (j) bridge loan fees in 2007.
- Funds Available for Distribution. FAD represents normalized FFO excluding straight-line rental adjustments and routine capital expenditures.

* On January 1, 2009, we adopted Financial Accounting Standards Board Staff Position No. APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" ("APB 14-1"). APB 14-1 specifies that issuers of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. See "Note 2 – Accounting Policies" of the Notes to Consolidated Financial Statements included in our 2008 Annual Report on Form 10-K for detail regarding the impact of APB 14-1 on our Consolidated Financial Statements for the years ended December 31, 2008, 2007 and 2006.

For non-GAAP reconciliation, see "Supplemental Data" on page 8.





Debra A. Cafaro

Chairman, President and
Chief Executive Officer

Dear Fellow Stakeholder,

During 2008, in the midst of an unprecedented global financial meltdown, we accelerated the conservative stance we began in 2007 to preserve shareholder value. We prepared for a collapse of the credit markets, we kept our single-minded focus on building liquidity and enhancing our financial strength and flexibility, and we achieved important business successes during the year.

In my 2007 letter to you, I observed that, “Access to capital would be a defining issue of 2008” and that “massive de-leveraging” would take place... Consequently, our “highest priority” in 2008 would be to “remain financially strong and flexible.”

Those sentiments proved prescient. Looking back, I believe we best served our stakeholders by identifying the enormous changes taking place in the markets, by taking aggressive, early actions to position Ventas to weather the oncoming credit crisis and devaluation in assets, and by executing our business plan in the face of rapidly deteriorating conditions.

Achievements, in Spite of It All

Despite enormous challenges, we met important goals in 2008. We:

- Received two positive credit rating actions, including an upgrade by Standard & Poor's to Investment Grade (BBB-)
- Raised over \$400 million in equity to repay debt
- Successfully expanded our bank credit facilities to \$850 million
- Obtained attractive long-term debt financing from Freddie Mac
- Opportunistically disposed of \$132 million in assets, recognizing sizable gains
- Repurchased \$176 million of our own bonds, at a discount, and repaid \$221 million of mortgage debt, improving our near-term maturity schedule
- Ended 2008 with liquidity of over \$700 million to meet 2009 debt maturities of \$125 million
- Maintained low leverage of 40 percent debt to total enterprise value and increased fixed charge coverage to almost three times at year-end
- Continued to diversify as we created a network of medical office building partnerships with nationally recognized firms
- Allocated over \$300 million of capital to accretive and strategic acquisitions
- Generated \$364 million in cash flow from operations, and paid \$289 million in dividends to shareholders
- Remained profitable, delivering positive normalized FFO per share growth
- Ended the year as one of the ten largest U.S. REITs

The Year Past

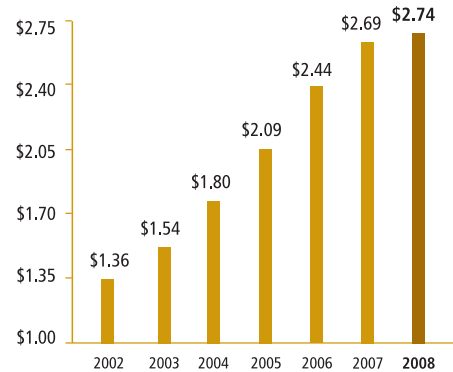
Our 2008 normalized FFO per share grew by two percent and total shareholder return was a negative 22 percent. After our six-year streak of double-digit normalized FFO per share growth and a seven-year run of exceptional value creation for shareholders, in 2008 we fell short of our own high standards. Yet we outperformed the REIT industry, the S&P 500, and Dow Jones Industrial Average, and our compound five-year annual total return to shareholders was an excellent 14.2 percent. Additionally, on the strength of our solid cash flows, in 2008 we increased our annual dividend by eight percent to \$2.05 per share.

Most importantly, we made sure we preserved and protected shareholders' equity because in 2008 the market savaged weakness. We did so by having a low debt burden, near-term debt obligations that we could easily satisfy, a staggered debt maturity schedule that gave us time to refinance in manageable chunks, virtually no future capital commitments, cash flow almost three times the amount needed to cover our fixed payments of principal and interest, and a plan to enhance and accelerate our continued access to capital.

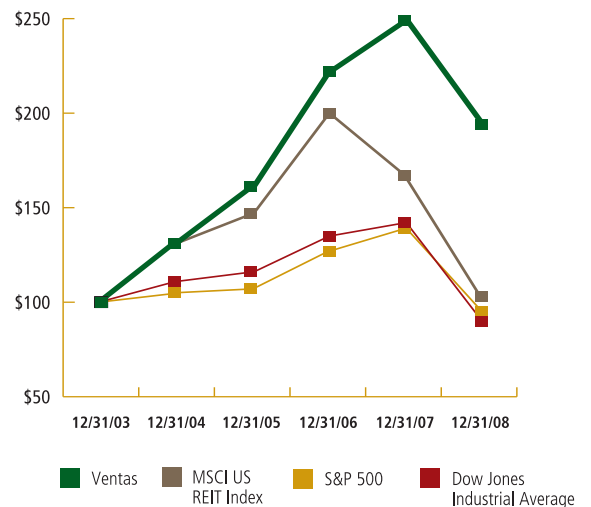
Valuing Diversification

Our highly diversified portfolio and revenue streams are designed to reduce risk in our Company. Because no one can predict which asset type will perform best at any given time, a balanced portfolio with non-correlated revenue drivers gives our investors the greatest chance to receive reliable future cash flows. And diversification should insulate our shareholders' capital from significant value erosion due to economic cycles, Medicare or Medicaid reimbursement changes, state regulatory events, natural disasters, fluctuations in currency valuations and regional trends.

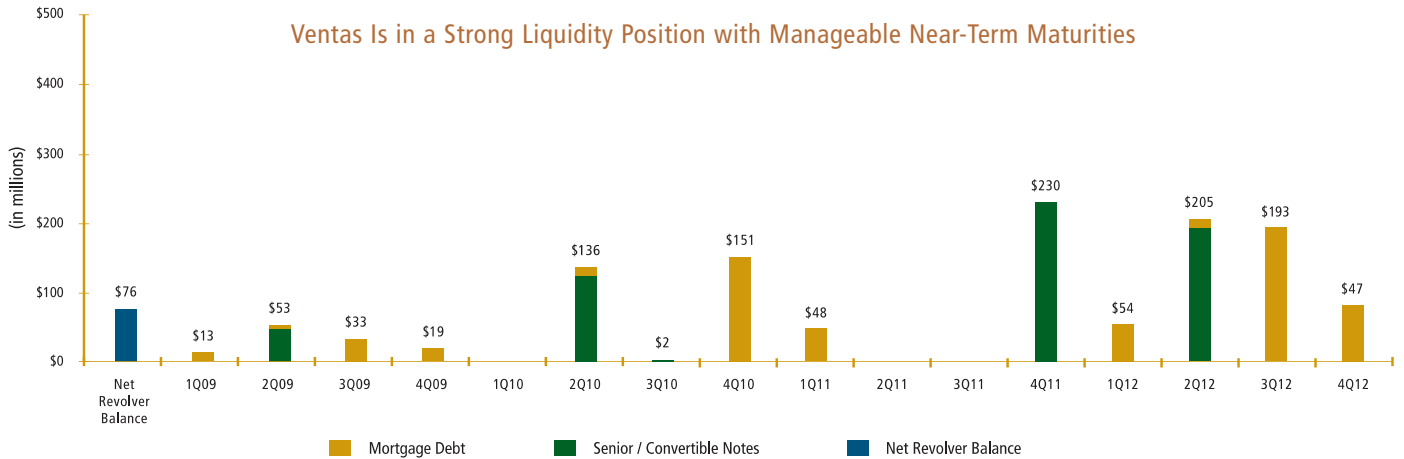
Seven Years of Normalized FFO Growth



Ventas Equity Outperformance



Ventas Is in a Strong Liquidity Position with Manageable Near-Term Maturities



We can plainly see the benefits of our strategy to deliver strong cash flows regardless of the economy if we just look at the past few years. To use just one example, in the early part of this decade, most investors wanted us to own only private pay seniors housing assets, and shunned our high-quality skilled nursing facilities and hospitals because the investors were unfamiliar with government reimbursement. Now, investors appreciate the value of our high-performing healthcare portfolio, especially those leased by Kindred Healthcare, Inc. (NYSE: KND), for their counter-cyclical revenue trends, excellent cash flows and need-based characteristics.

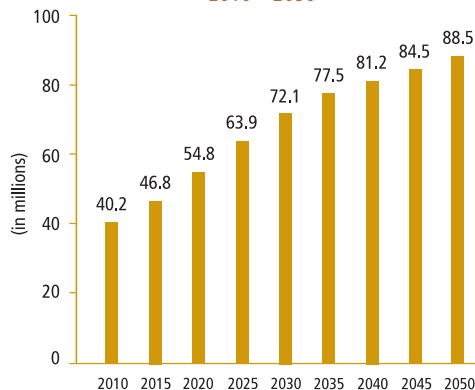
It is this carefully constructed balance in our portfolio that should help us prosper over long periods of time.

The Year Ahead

Business Fundamentals

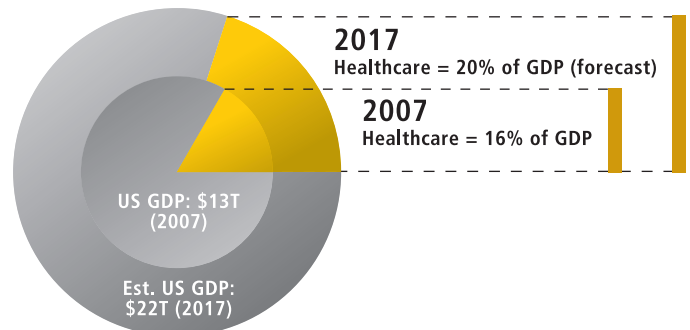
The single most important factor in our business is the growing need for healthcare services from an aging population. Even in a weak economy and uncertain future, people will continue to visit their doctor, they will need to go to a hospital for acute conditions, and they will require the trained and caring support provided by independent and assisted living communities. Favorable demographic trends, accented by the nearly 80 million baby boomers who begin to turn 65 in 2011, will stimulate continued growth in the healthcare and seniors housing real estate arena. Positive Medicare and Medicaid trends through 2010 will support our government reimbursed assets. Longer term, healthcare reform and universal coverage should be positive developments for care providers and our real estate.

Projected U.S. Population Aged 65 and Older 2010 – 2050



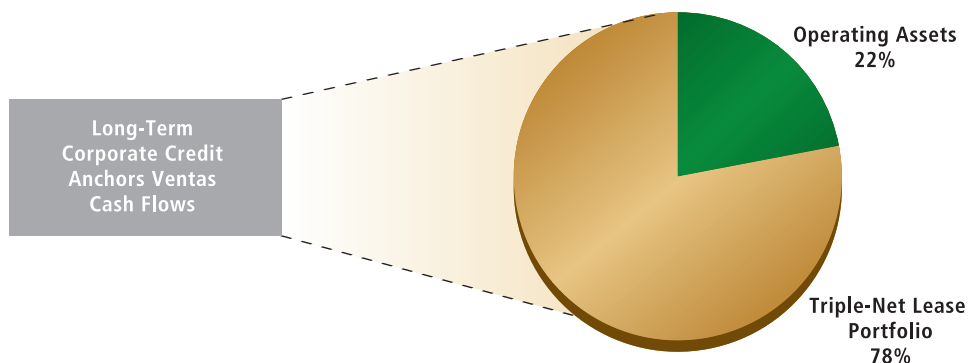
Source: U.S. Census Bureau

Healthcare Is 16% of Gross Domestic Product (GDP) and Is Expected to Reach 20% by 2017



Source: CMS Office of the Actuary

Steady Contractual Growth with Downside Protection

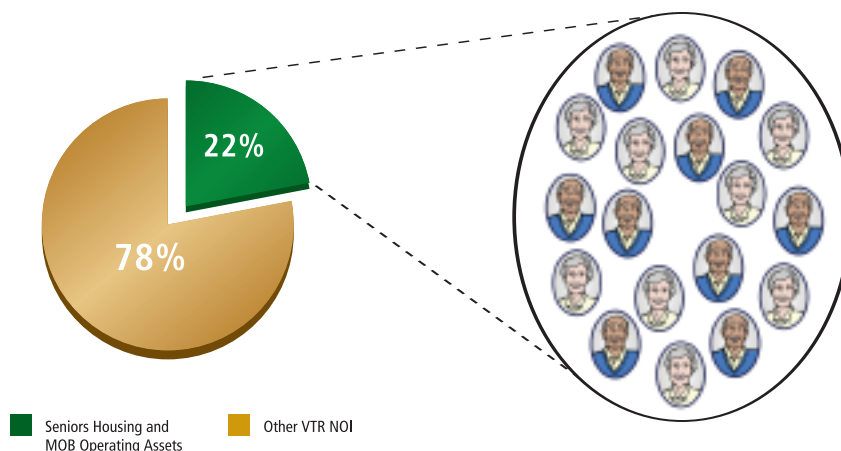


On the private pay seniors housing side of our business, the silver lining of the recent capital crunch is that development of new assisted and independent living assets stalled. Only 1.5 percent of total supply of assisted living assets is expected to come on line in 2009, with virtually no additional deliveries expected in 2010. New demand from seniors will ultimately dwarf this additional supply. The positive supply-demand fundamentals create a bright intermediate and long-term outlook for our assets and should sustain reasonable near-term performance. We remain cognizant, however, that while seniors housing and healthcare real estate enjoy excellent prospects and are recession resistant, no business is recession proof. We will remain vigilant.

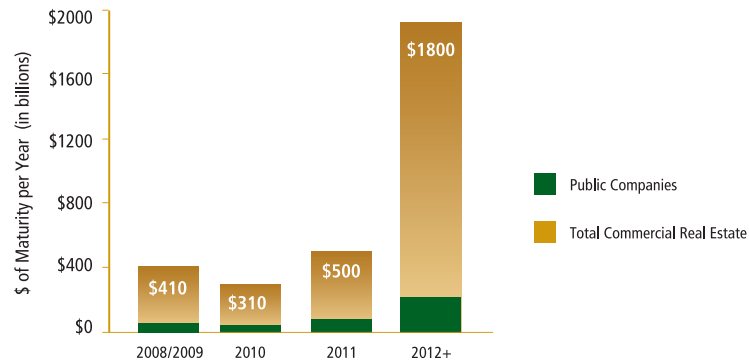
Triple-Net Leases vs. Operating Portfolio

We expect 2009 to be another humbling year, marked by high unemployment, negative GDP growth and deteriorating fundamentals in most businesses. Our triple-net lease portfolio, with its protected downside, super senior secured position in our tenants' capital structure and tenant credit support, accounts for 78 percent of our EBITDA. These assets should be a source of great strength and stability during the current economic downturn. In our operating portfolio of seniors housing assets managed by Sunrise Senior Living, Inc. (NYSE: SRZ), which represents 18 percent of our EBITDA, we expect that economic stimulus will provide a lift in time. This high-quality portfolio located in major metropolitan areas is poised to snap back quickly and provide meaningful growth to our business as the economy revives.

Operating Portfolio Provides Higher Growth Potential



Commercial Real Estate Debt Maturities



Source: Goldman Sachs and REIT filings

Capital Markets

The looming unknown is, of course, the debt markets. More than ever, access to capital will be a key differentiator separating winners from losers. It has always been true that: "As goes the debt market so goes real estate." REITs must continue to replenish their capital base by raising debt and equity in order to meet near-term debt maturities, pay dividends to shareholders and grow through investment. Yet there is an impending crisis in the real estate debt market because available sources of refinancing capital are well short of the amounts needed to pay all the commercial real estate debt that is coming due in 2009-10 and beyond.

The bank market will likely continue to shrink and consolidate. Absent broad-based compelling policy intervention, the CMBS market will remain moribund. The corporate bond market may provide some relief simply by being open rather than closed. Fixed income investors will eventually tire of minuscule returns from government debt and cycle their investment dollars into higher yielding, good-quality corporate debt like ours. The ability to tap the bond market in 2009 could provide a huge boon to investment grade REITs like Ventas.

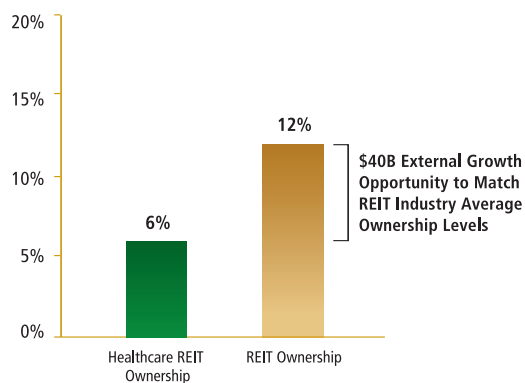
At Ventas, we also have access to the government sponsored enterprises – Fannie Mae and Freddie Mac – as debt sources. These agencies provide reasonably priced long-term mortgage financing for our seniors housing assets. One big advantage of our large, unencumbered seniors housing portfolio is that we can use it to obtain debt capital while other markets remain closed or unattractive.

I believe that REITs with access to capital, especially in multiple markets, will outperform this year. The combination of a powerful recession, constrained capital sources and increased borrowing costs will likely cause REIT earnings to decline in 2009.

Our job is to position Ventas to weather a protracted downturn while protecting shareholder value and to be ready to take advantage of investment opportunities when they arise.

Both goals require us to follow the same path: decrease our already low debt levels; replace short-term debt maturities with longer-term ones; retain capital until we know we can replenish it and at what cost; and aggressively and creatively manage our tenant-operators and our portfolio. The bottom line is that we will do what it takes to protect our firm and our shareholders in 2009.

\$700 Billion Healthcare Real Estate Market



Source: Green Street Advisors

REITs own only 6% of the healthcare real estate market, which is far below the overall REIT ownership average of 12%, providing enormous penetration and market opportunity.

Challenges and Opportunities

While 2009 will continue to pose significant challenges to Ventas, our economy and the global financial system, I firmly believe that the true measure of managers and companies is how they perform under extreme conditions. I am confident we will continue to acquit ourselves well.

Beyond this year, we see a compelling future for Ventas. The market for healthcare and seniors housing assets approximates \$700 billion, and healthcare REITs collectively own only about six percent of the total asset pool, while REITs in other segments of the real estate universe own 12 percent of available assets. Thus, healthcare REITs could DOUBLE their presence just to reach the industry norm. Between the expected growth in the size of the healthcare and seniors housing market, and this increased investment opportunity, we see great potential to expand our footprint and our earnings in coming years.

On my 10th anniversary as CEO of Ventas, I want to thank our shareholders, lenders, tenant-operators, and rating agencies for your support. I am incredibly fortunate to have great partners in our engaged Board of Directors who provide clear-minded, experienced direction that benefits Ventas enormously. They, along with the cohesive Ventas senior leadership team and my valuable Ventas colleagues, have made the past decade an exceptional one for our stakeholders, and for me.

Recently, Ventas was added to the S&P 500 Index, an indication of our consistent performance over the years and our financial strength. The S&P 500 is the best single gauge of the U.S. equities market and it includes the 500 leading companies in leading industries of the U.S. economy. It is a true honor to be part of this index and our inclusion represents another tribute to the hard work and dedication of the Ventas team.

We promise our shareholders that we will work tirelessly, intelligently and transparently – with character and conviction – to deliver another excellent, profitable decade to you as we look beyond the current challenges toward long-term growth and prosperity.

Sincerely,

Debra A. Cafaro
Chairman, President and Chief Executive Officer

March 16, 2009

Supplemental Data*

Funds from Operations (FFO), Normalized FFO and Funds Available for Distribution (FAD)

For the Years Ended December 31, (in thousands, except per share amounts)	Per diluted share					
	2008	2007	2006	2008	2007	2006
Net income applicable to common shares	\$226,288	\$277,119	\$131,430	\$ 1.62	\$ 2.25	\$ 1.25
Adjustments:						
Real estate depreciation and amortization	231,079	226,354	109,370	1.65	1.84	1.05
Real estate depreciation related to minority interest	(6,251)	(3,749)	–	(0.04)	(0.03)	–
Discontinued operations:						
Gain on sale of real estate assets	(39,026)	(129,478)	–	(0.28)	(1.05)	–
Depreciation on real estate assets	3,952	7,410	8,868	0.03	0.06	0.08
FFO applicable to common shares	416,042	377,656	249,668	2.97	3.07	2.38
Reversal of contingent liability	(23,328)	–	(1,769)	(0.16)	–	(0.02)
Provision for loan losses	5,994	–	–	0.04	–	–
Income tax benefit	(17,616)	(29,095)	–	(0.13)	(0.24)	–
(Gain) loss on extinguishment of debt	(2,398)	(88)	1,273	(0.02)	–	0.01
Merger-related expenses	4,460	2,979	–	0.03	0.02	–
Net gain on sale of marketable equity securities	–	(864)	(1,379)	–	(0.01)	(0.01)
Gain on foreign currency hedge	–	(24,314)	–	–	(0.20)	–
Preferred stock issuance costs	–	1,750	–	–	0.01	–
Bridge loan fee	–	2,550	–	–	0.02	–
Rent reset costs	–	–	7,361	–	–	0.07
Normalized FFO	383,154	330,574	255,154	2.74	2.69	2.44
Straight-lining of rental income	(14,652)	(17,311)	(19,963)	(0.10)	(0.14)	(0.19)
Routine capital expenditures	(8,128)	(6,372)	(368)	(0.06)	(0.05)	–
FAD	\$360,374	\$306,891	\$234,823	\$ 2.58	\$ 2.49	\$ 2.25

Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. To overcome this problem, we consider FFO and FAD appropriate measures of performance of an equity REIT, and we use the NAREIT definition of FFO. NAREIT defines FFO as net income (computed in accordance with GAAP), excluding gains or losses from sales of real estate property, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FAD represents normalized FFO excluding straight-line rental adjustments and routine capital expenditures.

Earnings before Interest, Taxes, Depreciation, Amortization and Non-Cash Stock-Based Compensation (EBITDA) and Normalized EBITDA

For the Years Ended December 31, (in thousands)	2008	2007	2006
Net income applicable to common shares	\$226,288	\$277,119	\$131,430
Add back:			
Interest	203,184	195,731	128,953
Depreciation and amortization	231,802	227,463	110,754
Non-cash stock-based compensation	9,976	7,493	3,046
(Gain) loss on extinguishment of debt	(2,398)	(88)	1,273
Taxes	(14,385)	(26,992)	–
Discontinued operations add back:			
Interest	6,263	10,602	12,141
Depreciation and amortization	3,952	7,581	8,899
EBITDA	664,682	698,909	396,496
Adjustments:			
Merger-related expenses	4,460	2,979	–
Reversal of contingent liability	(23,328)	–	(1,769)
Provision for loan losses	5,994	–	–
Gain on foreign currency hedge	–	(24,314)	–
Preferred stock dividends and issuance costs	–	5,199	–
Net gain on sale of marketable equity securities	–	(864)	(1,379)
Rent reset costs	–	–	7,361
Discontinued operations:			
Gain on sale of real estate assets	(39,026)	(129,478)	–
Normalized EBITDA	\$612,782	\$552,431	\$400,709

We consider EBITDA a profitability measure which indicates our ability to service debt. Normalized EBITDA excludes income and expense items that we consider to be nonroutine to our core business.

FFO, FAD and EBITDA presented herein are not necessarily comparable to similar measures used by other companies due to the fact that not all companies use the same definitions. FFO, FAD and EBITDA should not be considered as alternatives to net income (determined in accordance with GAAP) as indicators of our financial performance or as alternatives to cash flow from operating activities (determined in accordance with GAAP) as measures of our liquidity, nor are FFO, FAD and EBITDA necessarily indicative of sufficient cash flow to fund all of our needs. In order to facilitate a clear understanding of our consolidated historical operating results, FFO, FAD and EBITDA should be examined in conjunction with net income as presented in our Consolidated Financial Statements.

* On January 1, 2009, we adopted APB 14-1, which specifies that issuers of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. See "Note 2 – Accounting Policies" of the Notes to Consolidated Financial Statements included in our 2008 Annual Report on Form 10-K for detail regarding the impact of APB 14-1 on our Consolidated Financial Statements for the years ended December 31, 2008, 2007 and 2006.

Corporate Data

Directors and Officers

Directors

Debra A. Cafaro
Chairman of the Board,
President and Chief Executive Officer
Ventas, Inc.

Douglas Crocker II
Presiding Director of Ventas, Inc.
Retired, Chief Executive Officer
and Vice Chairman
Equity Residential Properties Trust

Ronald G. Geary
Chairman of the Board
Res-Care, Inc.

Jay M. Gellert
President and Chief Executive Officer
Health Net, Inc.

Robert D. Reed
Senior Vice President and
Chief Financial Officer
Sutter Health

Sheli Z. Rosenberg
Retired, Vice Chairman
Equity Group Investments, LLC

James D. Shelton
Chairman of the Board
Legacy Hospital Partners, Inc.

Thomas C. Theobald
Senior Advisor
Chicago Growth Capital

Committees of the Board

Audit and Compliance Committee
Geary (Chair), Reed, Rosenberg

Executive Compensation Committee
Gellert (Chair), Crocker, Theobald

Nominating and Governance Committee
Rosenberg (Chair), Geary, Shelton

Executive Committee
Theobald (Chair), Cafaro, Crocker, Rosenberg

Investment Committee
Cafaro (Chair), Crocker, Shelton

Executive Officers

Debra A. Cafaro
Chairman of the Board,
President and Chief Executive Officer

Raymond J. Lewis
Executive Vice President and
Chief Investment Officer

T. Richard Riney
Executive Vice President,
Chief Administrative Officer,
General Counsel and Corporate Secretary

Richard A. Schweinhart
Executive Vice President and
Chief Financial Officer

Investor Information

Corporate Offices

111 South Wacker Drive
Suite 4800
Chicago, IL 60606
312-660-3800

10350 Ormsby Park Place
Suite 300
Louisville, KY 40223
502-357-9000

Annual Meeting

The Annual Meeting of Stockholders will convene May 7, 2009, at 9:00 a.m. (Central time) at 111 S. Wacker Drive, 29th Floor, Chicago, IL 60606.

Stock Information

Ventas, Inc. is traded on the NYSE under the ticker symbol "VTR."

As of March 16, 2009, Ventas had 143,443,549 outstanding shares.

Certifications

In 2008, we submitted to the New York Stock Exchange a certificate of our Chief Executive Officer certifying that, as of the date thereof, she was not aware of any violation by us of New York Stock Exchange corporate governance listing standards. In addition, we have filed as Exhibits 31.1 and 31.2 to our Annual Report on Form 10-K for the year ended December 31, 2008, filed with the Securities and Exchange Commission, certificates of our Chief Executive Officer and Chief Financial Officer certifying the quality of our public disclosure.

Transfer Agent and Registrar

Wells Fargo Shareowner Services
P.O. Box 64874
St. Paul, MN 55164-0874
1-800-468-8716
www.shareowneronline.com

Independent Auditors

Ernst & Young LLP

Legal Counsel

Willkie Farr & Gallagher LLP

Information

Copies of our 2008 Form 10-K and other filings with the Securities and Exchange Commission may be obtained without charge by contacting the Louisville corporate office or through our website at www.ventasreit.com.

Member

National Association of Real Estate Investment Trusts, Inc.



Ventas, Inc.

www.ventasreit.com
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