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Issuer Comment: **Ventas' dismissal of its auditor due to lack of independence has no immediate impact to its ratings or outlook**

Global Credit Research - 10 Jul 2014

Moody's Investors Service does not expect an immediate impact on the current ratings of Ventas, Inc. and its subsidiaries (senior debt at Baa1 with a stable outlook) with respect to yesterday's announcement that it has dismissed Ernst & Young as its public accounting firm due to E&Y's determination that it was not independent solely as a result of an inappropriate personal relationship between a former E&Y partner and Ventas's former Chief Accounting Officer and Controller. As a result of such determination as to its independence, E&Y was obligated to withdraw its audit reports on Ventas's financial statements for the years ended 2012 and 2013, and its review of the REIT's results for 1Q14. Ventas has engaged KPMG as its new independent public accounting firm who will complete a re-audit and re-review of the relevant periods. Moody's expects the relevant audit reports and review will be completed within a reasonable time frame.

Moody's notes that Ventas retains a strong liquidity position with ample credit line capacity as well as a large, high-quality unencumbered asset pool, which we view as particularly important as its capital markets access will be impeded until these matters are appropriately resolved. Moody's will closely monitor developments with respect to the timely completion of the relevant audit reports and review, as well as any other related matters including its liquidity position.

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