

FOR IMMEDIATE RELEASE

June 23, 2009

Extendicare REIT's Subsidiaries Amend U.S. and Canadian Lines of Credit

MARKHAM, ONTARIO – Extendicare Real Estate Investment Trust (“Extendicare REIT” or the “REIT”) (TSX: EXE.UN) announces that its wholly owned U.S. subsidiary, Extendicare Health Services, Inc. (EHSI), has renewed and amended its credit facility (the “EHSI Credit Facility”), which was due in October 2009, for a two-year term to June 2011, with an option to extend it for a third year upon satisfaction of certain conditions. As well, its wholly owned Canadian subsidiary, Extendicare Inc., has amended its credit facility with the Royal Bank of Canada (the “RBC Credit Facility”) to provide for the issuance of a U.S. dollar letter of credit facility of up to US\$22.2 million, in addition to the existing C\$70.0 million available under the RBC Credit Facility.

“We are pleased to have completed the amendments to our U.S. and Canadian credit facilities ahead of schedule and in the midst of these uncertain financial markets. We appreciate the support of our bank partners and their confidence in Extendicare,” said Tim Lukenda, President and Chief Executive Officer of Extendicare REIT.

We reduced the level of the EHSI Credit Facility from US\$120.0 million to US\$70.0 million in line with anticipated near term capital requirements. U.S. Bank National Association was appointed as the lead arranger and administrative agent of the EHSI Credit Facility with CIBC Inc., Bank of America, N.A. and Barclays Bank PLC participating as other members of the banking group. At EHSI's option, the interest rate is either the eurodollar rate, with a floor set at 2%, plus a margin from 4% to 4.75% (previously no floor and a margin from 1.5% to 2.5%), or the U.S. prime rate plus a margin from 3% to 3.75% (previously a margin from 0.5% to 1.5%). The specific margin is based on EHSI's consolidated leverage ratio as defined in the EHSI Credit Facility. The EHSI Credit Facility, under which there is currently US\$11.0 million drawn, is used for general corporate purposes.

ABOUT US

Extendicare REIT is a leading North American provider of long-term and short-term senior care services through its network of owned and operated health care centers. We employ 37,900 qualified and experienced individuals dedicated to helping people live better through a commitment to quality service that includes post-acute care, rehabilitative therapies and home health care services. Our 264 senior care centers in North America have capacity for approximately 29,500 residents.

Forward-looking Statements

Information provided by Extendicare REIT from time to time, including this release, contains or may contain forward-looking statements concerning anticipated financial events, results, circumstances, economic performance or expectations with respect to the REIT and its subsidiaries, including its business operations, business strategy, and financial condition. Forward-looking statements can be identified because they generally contain the words “expect”, “intend”, “anticipate”, “believe”, “estimate”, “project”, “plan” or “objective” or other similar expressions or the negative thereof. Forward-looking statements reflect management's beliefs and assumptions and are based on information currently available, and the REIT assumes no obligation to update or revise any forward-looking statement, except as required by applicable securities laws. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the REIT to differ materially from those expressed or implied in the statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on the REIT's forward-looking statements. Further information can be found in the disclosure documents filed by Extendicare REIT with the securities regulatory authorities, available at www.sedar.com and on the REIT's website at www.extendicare.com.

For further information, contact:

Douglas J. Harris
Senior Vice President and Chief Financial Officer
Phone: (414) 908-8855
Fax: (905) 470-4003
Email: djharris@extendicare.com

Visit Extendicare's Website @ www.extendicare.com