

### Federal Court Throws Out Class Action Lawsuit Against Extendicare

MARKHAM, ONTARIO – Extendicare Real Estate Investment Trust (“Extendicare REIT”) (TSX: EXE.UN) announced that a federal district court judge ruled today that a class action lawsuit, brought against Extendicare Health Services, Inc. and Extendicare Homes, Inc. (collectively “Extendicare”), two wholly owned U.S. based subsidiaries of Extendicare REIT, was improper and ordered the case dismissed in its entirety. The court stated that the lawyer-driven complaint “failed to identify any solid ground on which the Plaintiff could stand in this litigation.”

The lawsuit was originally filed on October 28, 2008 in the United States District Court for the District of Minnesota. The suit asserted claims under several Minnesota consumer protection statutes and was premised upon an allegation that Extendicare had misrepresented the quality of its services to the residents of its Minnesota skilled nursing facilities. The plaintiff brought the action on behalf of all current and former residents for the period 2002 through 2008.

The Honorable Donovan W. Frank rejected all of the class action claims, and held that that the plaintiff’s allegations “are so general and unspecific they cannot serve as the basis for a claim.” Judge Frank further prohibited the plaintiff’s attorneys from attempting to re-file the lawsuit with amended allegations because, given the weakness of the claim, it “would not likely be fruitful.”

Extendicare viewed this lawsuit as little more than an attempt by plaintiffs’ lawyers to pressure Extendicare into settlement and generate attorneys’ fees, and argued this to the court. Judge Frank’s ruling appears to vindicate Extendicare’s position.

Extendicare remains committed to continuing to provide quality care to its residents.

#### 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 facilities. We employ 39,100 qualified and experienced staff dedicated to helping people live better through a commitment to quality service that includes post-acute care, rehabilitative therapy and home health care services. Our 266 senior care facilities in North America have capacity for approximately 30,000 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 Extendicare 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” “objective” or other similar expressions. Forward-looking statements reflect management’s beliefs and assumptions and are based on information currently available, and Extendicare REIT assumes no obligation to update any forward-looking statement. 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 Extendicare 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 Extendicare 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](http://www.sedar.com) and on Extendicare REIT’s website at [www.extendicare.com](http://www.extendicare.com).*

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