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## NEWS RELEASE

FOR IMMEDIATE RELEASE

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

MARKHAM, ONTARIO – Extendicare Real Estate Investment Trust (“Extendicare REIT”) (TSX: EXE.UN) announced today that, for the second time in less than a month, a federal district court judge has dismissed a class action lawsuit against Extendicare Health Services, Inc., Extendicare Homes, Inc., and Fir Lane Terrance Convalescent Center, Inc. (collectively “Extendicare”), three wholly owned U.S. based subsidiaries of Extendicare REIT. The court found that the undisputed evidence demonstrated that the plaintiffs could not prove their supposed claims against Extendicare, and accordingly, it issued a final judgment in Extendicare’s favor and ordered the case closed.

The lawsuit was originally filed on August 20, 2008, in Washington state court, but later removed to the United States District Court for the Western District of Washington. The suit asserted a claim under Washington’s Consumer Protection Act and was premised upon an allegation that Extendicare had misrepresented the quality of its services to the residents of its Washington skilled nursing facilities. Plaintiffs brought the action on behalf of all current and former residents for the period 2004 through 2008.

The Honorable John C. Coughenour found that the plaintiffs were not misled by any of Extendicare’s representations, and that none of the plaintiffs suffered any actual injury. This decision comes on the heels of a similar March 4, 2009 decision in the United States District Court for the District of Minnesota. The Minnesota lawsuit was brought by the same plaintiffs’ lawyers, and consisted of virtually the same claims. In that case, the Honorable Donovan W. Frank similarly determined that the lawyer-driven complaint “failed to identify any solid ground on which the Plaintiff could stand in this litigation.”

From the outset, Extendicare viewed both of these lawsuits as little more than an attempt by plaintiffs’ lawyers to pressure Extendicare into settlement and generate attorneys’ fees. Both Judge Coughenour’s and Judge Frank’s recent decisions 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 or the negative thereof. Forward-looking statements reflect management’s beliefs and assumptions and are based on information currently available, and Extendicare REIT assumes no obligation to update or revise any forward-looking statement, except as required by applicable securities law. 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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