



REAL ESTATE INVESTMENT TRUST

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NEWS RELEASE

FOR IMMEDIATE RELEASE
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Federal Court Throws Out Class Action Lawsuit Against Extencicare

MARKHAM, ONTARIO – Extencicare Real Estate Investment Trust (“Extencicare REIT”) (TSX: EXE.UN) announced that a judge in Milwaukee County Circuit Court ruled that a class action lawsuit brought against Extencicare Health Services, Inc., Extencicare Homes, Inc. and other related entities (collectively “Extencicare”), wholly owned U.S. based subsidiaries of Extencicare REIT, was improper and ordered the case dismissed in its entirety.

The lawsuit was originally filed on November 14, 2008 in Milwaukee County Circuit Court as a copy cat lawsuit to two other lawsuits that were similarly dismissed by federal courts in Washington and Minnesota. Like those, the suit asserted a claim under a state consumer protection statute and was premised upon an allegation that Extencicare had misrepresented the quality of its services to the residents of its Wisconsin skilled nursing facilities. The plaintiff brought the action on behalf of all current and former residents for the period 2005 through 2008.

The Honorable Dennis Moroney rejected the class action claim, and like the federal court in Minnesota, held that that the plaintiffs’ allegations were too general and unspecific to serve as the basis for a claim. Judge Moroney further prohibited the plaintiffs’ attorneys from attempting to re-file the lawsuit with amended allegations because, given the weakness of the claim, it would be futile.

Like the other suits filed against it asserting similar theories, Extencicare viewed this suit as an attempt by creative plaintiffs’ lawyers to use costly, but ultimately baseless, litigation strategies as a means of forcing settlement and driving up attorneys’ fees. Judge Moroney’s ruling appears to vindicate Extencicare’s position.

ABOUT US

Extencicare 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 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 264 senior care centers in North America have capacity for approximately 29,500 residents.

Forward-looking Statements

Information provided by Extencicare 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 Extencicare 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 Extencicare REIT assumes no obligation to update 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 Extencicare 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 Extencicare REIT’s forward-looking statements. Further information can be found in the disclosure documents filed by Extencicare REIT with the securities regulatory authorities, available at www.sedar.com and on Extencicare REIT’s website at www.extencicare.com.

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