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EXTENDICARE

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40 years of quality care

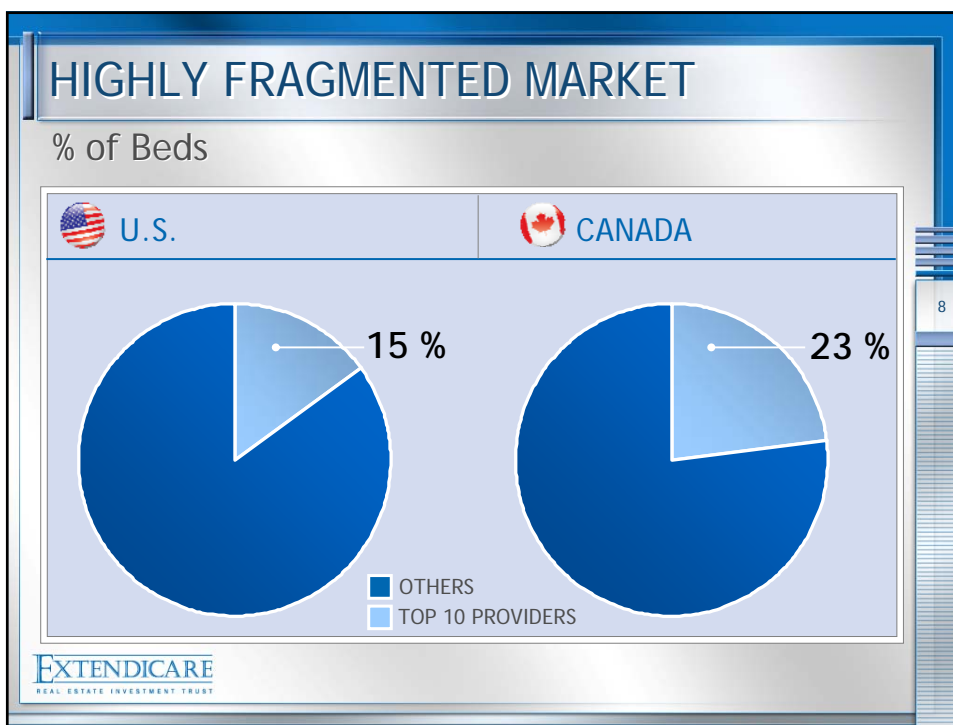
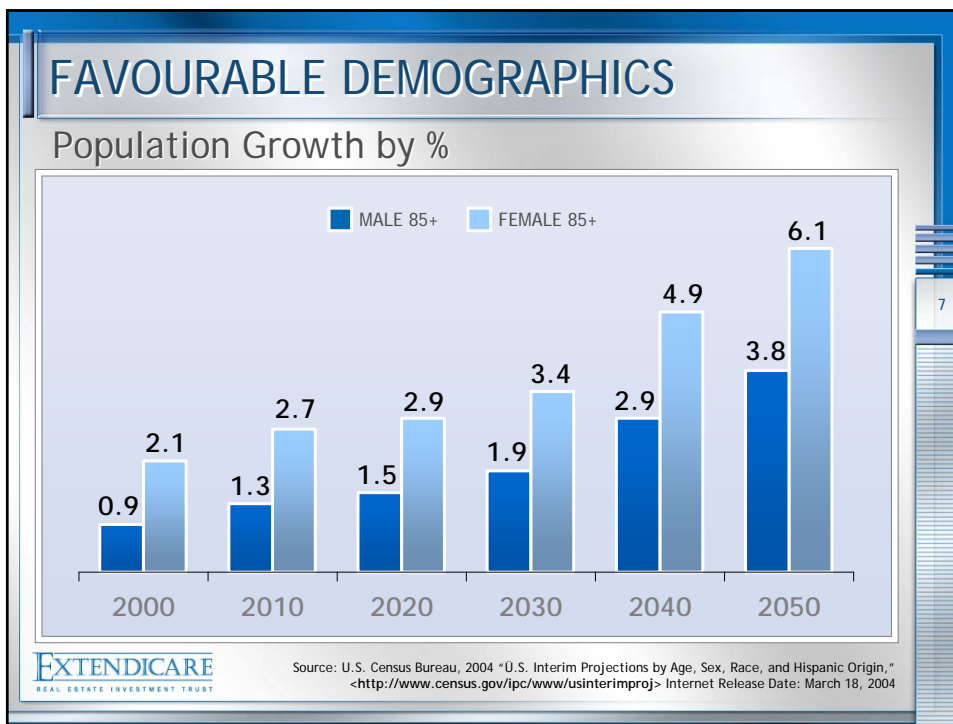
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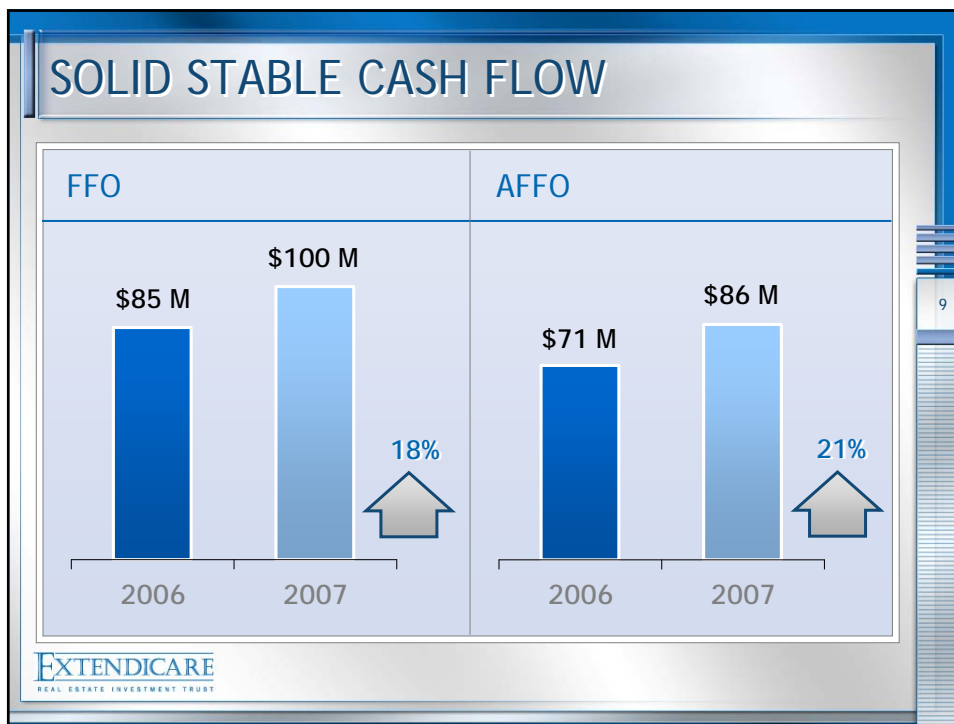
30,300 individuals cared for in 269 facilities
37,800 professionals in North America

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- Nursing centres
- Assisted living & retirement centres
- ★ Rehab hospital/Chronic care unit
- ParaMed home health care - 22 branches
- ProStep outpatient rehab - 19 clinics

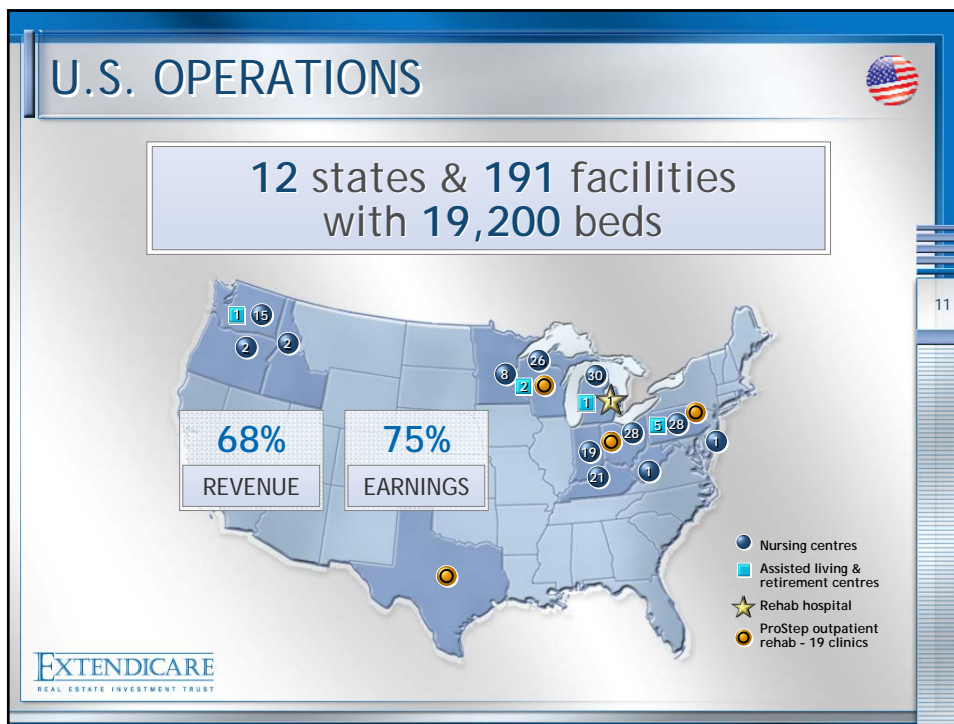




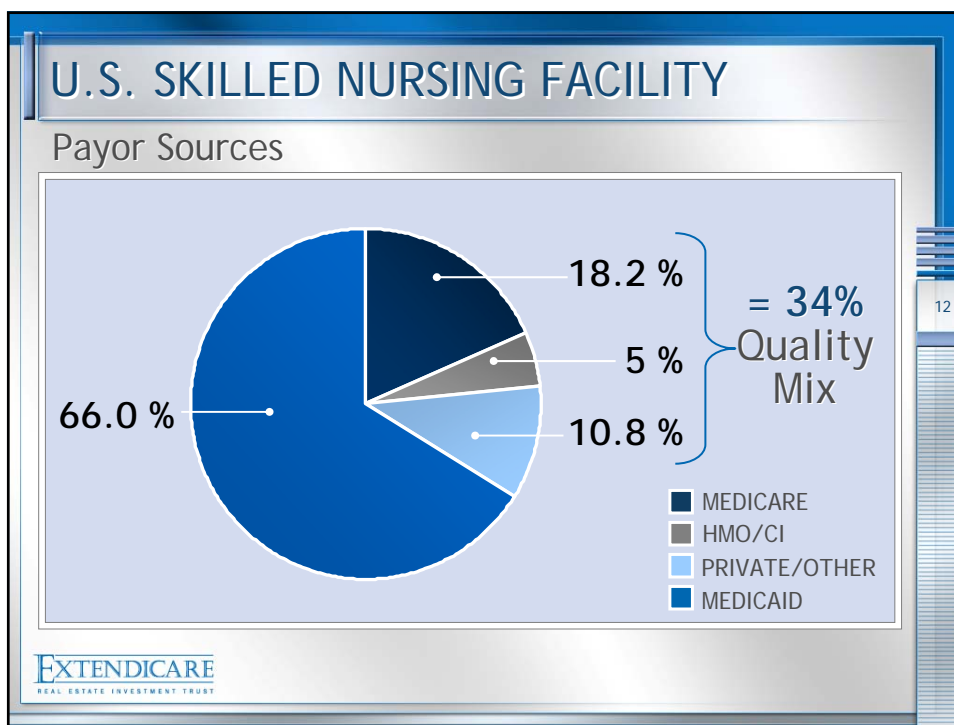
2007: A YEAR OF CHALLENGES

- Creation of SIFT Tax**
 - Extencicare REIT became a taxable entity
- Global Credit Tightening & Slowing Economy**
 - Confident in credit availability
- Tendercare Acquisition**
 - Entry into Michigan Market
 - Contributed to 15 % increase in U.S. beds

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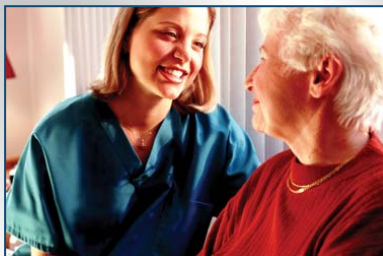
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MEDICARE REHABILITATION SOURCES

- 38 % of Medicare patients in 9 highest Resource Utilization Groups
- Medicare Part A rates up 6.2%
- Higher paying/shorter length of stay results in modest decline in census to 90.2% from 91.6%



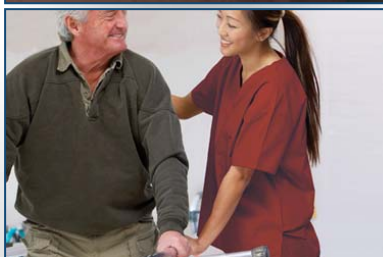
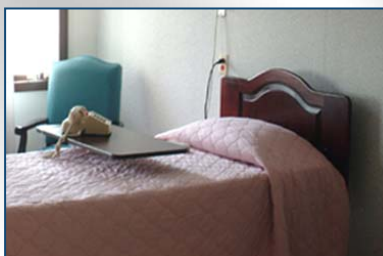
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Attracting higher acuity clientele

2008 PIPELINE OF U.S. DEVELOPMENT

Planned Renovation Projects

- Add square footage and beds
- New rehabilitation suites
 - More space & amenities
- Enhanced rehabilitation gyms
 - Attract residents with higher acuity levels & reimbursement rates
- Flexibility resulting from 97% ownership



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COMPLETED U.S. PROJECTS - Q1/08



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100-bed skilled nursing facility in Sequim, Washington
89 beds opened in January 2008
11 beds opened in April 2008

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COMPLETED U.S. PROJECTS - Q1/08



77-bed skilled nursing facility
Holland, Michigan
Completed in Jan. 2008



Prototype design
for future SNFs
Non-institutional
State-of-the-art
Rehabilitation

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2008 PIPELINE OF U.S. DEVELOPMENT

- 5 projects in development
- 480 beds
- US\$63 M projected cost
- Cap rates average 12% to 20 %



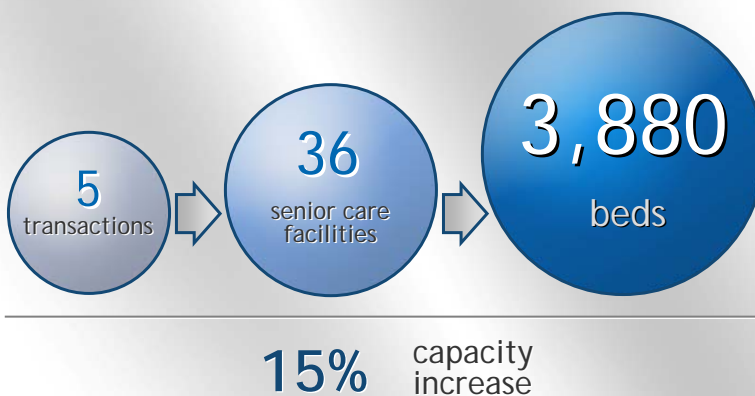
80-bed Tendercare Health and Rehab Center
Wyoming, Michigan
Completed October 2007

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ACQUISITIONS

Rigorous Selection Process



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ACQUISITIONS

Tendercare

- 85% of acquired beds
- Largest private nursing home operator in Michigan
- Access new geographic market
- Excellent upside potential
 - Room to grow occupancy & increase Medicare percentage

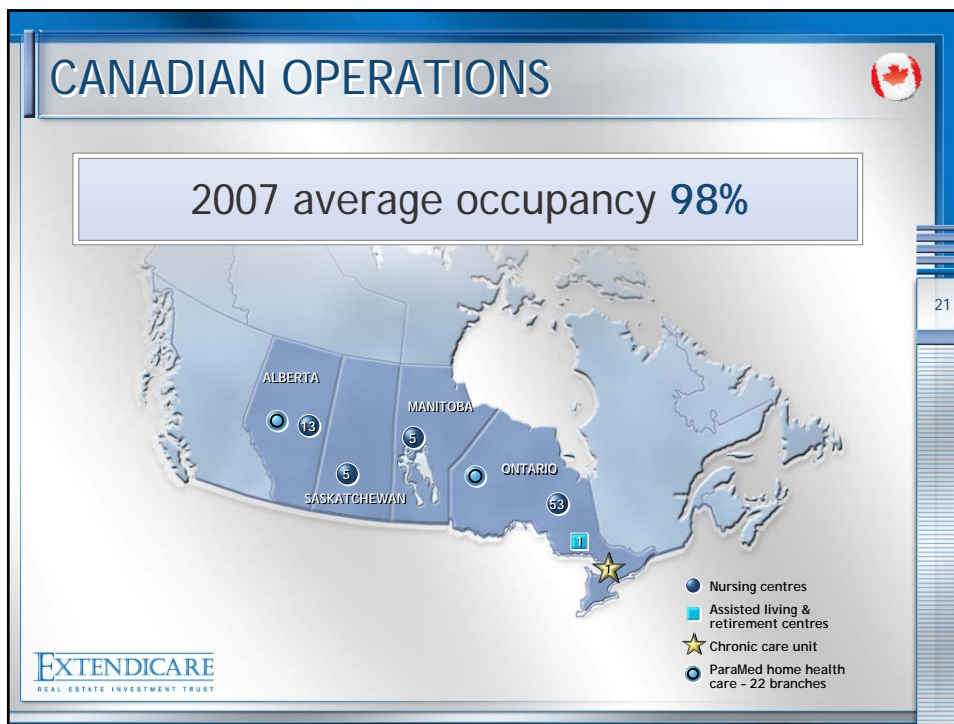
● Nursing centres
■ Assisted living & retirement centres
★ Rehab hospital

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VIRTUAL CARE PROVIDER & PROSTEP

| | |
|---|-----------------------------------|
| | |
| Senior Care Focused Information Technology | Inpatient & Outpatient Therapy |
| Revenue from External Clients | |
| | |

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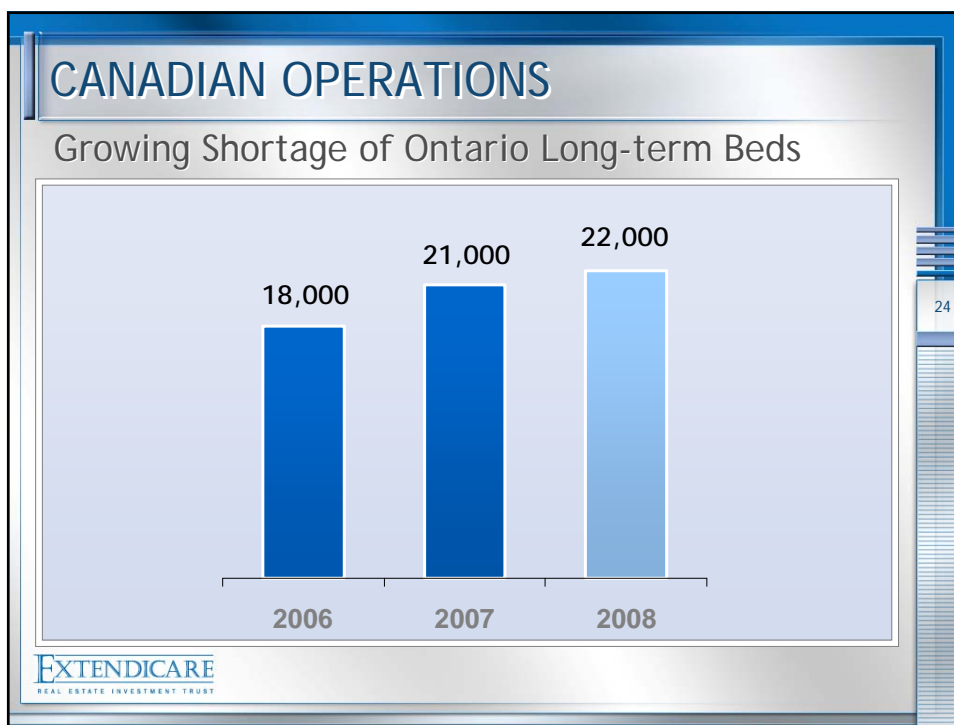
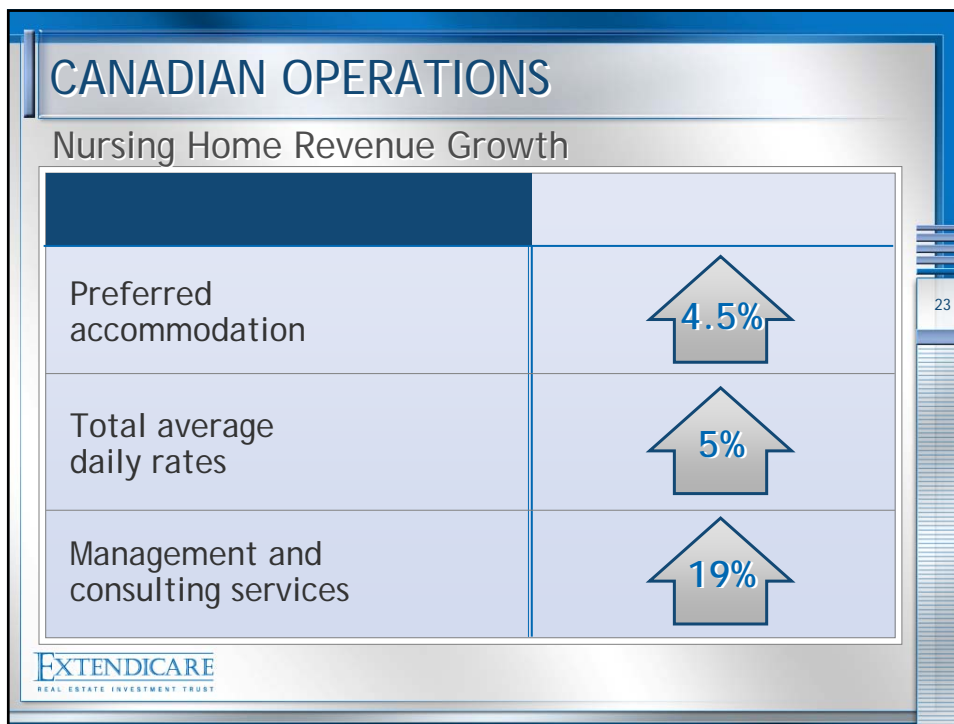
CANADIAN OPERATIONS

Canadian Market

- Less medically complex services than U.S.
- Reimbursement provincially funded
- Maximize revenue by:
 - Increasing preferred accommodation
 - Maximize new management & consulting contracts
 - Increasing capacity through new developments

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CANADIAN OPERATIONS

Ontario Long-term Care

- Ministry of health expanding capacity
- Extendicare awarded 3 facilities totaling 480 beds
- Plans for 100-bed assisted living facility in Kingston
- \$96 M total cost


% OF CANADIAN NURSING HOME REVENUE

| Province | Percentage |
|-----------------|------------|
| ONTARIO | 66% |
| OTHER PROVINCES | 34% |



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CANADIAN OPERATIONS

Ontario Long-term Care




- Government redevelopment project of 35,000 beds over 10 years
- Extendicare owns 3,600 beds in 23 "C" rated facilities eligible for project


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CANADIAN OPERATIONS

Alberta Development

- \$56 M total investment
- Completed in 2010
- Cap rates of 10-15% expected

| ALBERTA  | |
|---|--------------------------|
| RED DEER | LETHBRIDGE |
| Continuing care facility | Assisted living facility |
| 280 beds | 140 units |

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PARAMED HOME HEALTH CARE



- 25% of Canadian revenue
- Government contracts frozen since 2004, while review undertaken



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2007: A YEAR OF ACHIEVEMENTS

- Increased Medicare Reimbursement Rates
- Attracted Higher Acuity Clientele
- Expanded Into New Geographic Markets
- Delivered Solid Financial Results

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DOUG HARRIS

Chief Financial Officer

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2007 FINANCIAL RESULTS

FFO and AFFO

| (\$ millions , unless otherwise noted) | 2007 | 2006 |
|--|-------|------|
| AFFO from continuing operations | 86.5 | 71.5 |
| Per basic unit (\$) | 1.23 | 1.05 |
| Distributions | 78.1 | 13.0 |
| Per unit (\$) | 1.11 | 0.19 |
| Payout ratio | 90.3% | N/A |

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2007 FINANCIAL RESULTS

FFO and AFFO

| (\$ millions, unless otherwise noted) | 2007 | F/X Impact | 2006 |
|---------------------------------------|---------|------------|---------|
| Average US/Cdn \$ f/x rate | 1.0748 | | 1.1341 |
| Revenue | 1,804.4 | (68.1) | 1,773.6 |
| EBITDA | 208.3 | (8.5) | 188.7 |
| Net earnings (loss) | 70.4 | (2.4) | (35.7) |

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2007 FINANCIAL RESULTS

EBITDA - 2007 vs. 2006

| (\$ millions) | 2007 |
|------------------------------------|-------|
| 2006 EBITDA | 188.7 |
| Same-facility operations | 18.6 |
| New facilities | 9.5 |
| Impact of stronger Canadian dollar | (8.5) |
| 2007 EBITDA | 208.3 |

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TENDERCARE - MEETING EXPECTATIONS

Tendercare Results

| (US\$ millions) | Nov./ Dec. '07 ⁽¹⁾ | Full Year '07 ⁽²⁾ |
|-----------------|-------------------------------|------------------------------|
| Revenue | 35.9 | 219.2 |
| EBITDA | 3.2 | 22.1 |

⁽¹⁾ EBITDA for Nov./Dec. '07 reduced by US\$0.3M of one-time post-closing costs.

⁽²⁾ Pro forma, as if acquired by Extendicare REIT on January 1, 2007

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2007 FINANCIAL RESULTS

Long-Term Debt/AGBV

| (\$ millions) | 2007 |
|---|----------------|
| Long-term debt ⁽¹⁾ | |
| Debt | 985.5 |
| Convertible debentures (@ face value) | 115.0 |
| | 1,100.5 |
| Adjusted Gross Book Value (AGBV) | |
| Total assets | 1,440.2 |
| Accumulated depreciation and amortization | 398.2 |
| Incremental value | 675.0 |
| | 2,513.4 |
| Long-term Debt to AGBV | |
| Excluding convertible debentures | 39.2% |
| Including convertible debentures | 43.8% |

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⁽¹⁾ Long-term debt includes current portion and excludes deferred financing costs.

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SIFT

Specified Investment Flow-through Trusts

Extendicare Classified as SIFT

- Not eligible for 4 year transition period
- New status effective Jan 1, 2007
- Distributions reflect SIFT tax impact

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Q1 2008 FINANCIAL RESULTS

AFFO

| (\$ millions , unless otherwise noted) | 2008 |
|--|------|
| AFFO from continuing operations | 19.0 |
| Per basic unit (\$) | 0.27 |

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TIM LUKENDA

President & CEO

EXTENDICARE
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OUTLOOK



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- Back-to-basics approach to operations
- Favourable demographics a fundamental driver
- Continued growing demand for services in North America
- Well positioned for internal and external growth




GROWTH STRATEGIES



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GROW ANCILLARY BUSINESSES




The slide features three logos in a light blue gradient box. At the top left is the VCPI logo, with 'V', 'C', and 'P' in blue and 'I' in white, surrounded by a circle of yellow dots. To its right is the Progressive Step Rehabilitation Services logo, featuring a blue lightning bolt shape with the text 'PROGRESSIVE STEP REHABILITATION SERVICES' in white. Below these is the Paramed logo, with 'PARAMED' in a large, blue, serif font and 'Home Health Care • Soins de Santé à Domicile' in a smaller, italicized font below it. In the bottom left corner of the slide is the Extendicare logo, with 'EXTENDICARE' in blue and 'REAL ESTATE INVESTMENT TRUST' in smaller text below it. A vertical sidebar on the right side of the slide contains the number '41'.

Outlook

Volume of Acquisition Lower

Confident in Securing Financing
& Credit Availability

Distributions Remain at Current Levels



The slide features the text 'Outlook' at the top left. Below it are three lines of text: 'Volume of Acquisition Lower', 'Confident in Securing Financing & Credit Availability', and 'Distributions Remain at Current Levels'. Each line of text is separated from the next by a horizontal blue line. In the bottom left corner is the Extendicare logo, with 'EXTENDICARE' in blue and 'REAL ESTATE INVESTMENT TRUST' in smaller text below it. A vertical sidebar on the right side of the slide contains the number '42'.

POSITIVE OUTLOOK

Growing demand
+
Proven strategies

Translates into Upside
Growth Opportunities

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2008 ANNUAL MEETING