



# SUPPLEMENTAL INFORMATION

(unaudited)

Twelve Months Ended December 31, 2008  
Health Care is Our Business™



## **Extendicare Real Estate Investment Trust**

### **Non-GAAP Measures**

Extendicare REIT assesses and measures operating results and financial position based on performance measures referred to as “EBITDA”, “net operating income”, “continuing health care operations before undernoted”, “Distributable Income”, “Funds from Operations”, “Adjusted Funds from Operations” and “Adjusted Gross Book Value”. These are not measures recognized under GAAP and do not have standardized meanings prescribed by GAAP. These non-GAAP measures are presented in this document because either: (i) management believes that they are a relevant measure of the ability of the REIT to make cash distributions; or (ii) certain ongoing rights and obligations of the REIT may be calculated using these measures. Such non-GAAP measures may differ from similar computations as reported by other issuers and, accordingly, may not be comparable to similarly titled measures as reported by such issuers. They are not intended to replace earnings (loss) from operations, net earnings (loss) for the period, cash flow, or other measures of financial performance and liquidity reported in accordance with Canadian GAAP.

References to “EBITDA” in this document are to earnings from continuing operations before interest, taxes, depreciation, amortization, and accretion. In this calculation, the REIT has excluded the line items on derivative financial instruments and foreign exchange” and “loss (gain) from restructuring charges, impairment, disposals and other items”. These line items are reported separately because they relate to change in the fair value of, or gains and losses on termination of, interest rate agreements and foreign contracts, as well as gains or losses on the disposal or impairment of assets, provisions for restructuring foreign exchange gains or losses on capital items, and the write-off of unamortized financing costs on retirement of debt. These items are reported separately and excluded from EBITDA, because they are in nature and would otherwise distort historical trends. Management believes that certain lenders, analysts use EBITDA to measure a company’s ability to service debt and meet other payment a common valuation measurement in the long-term care industry. For example, certain of EHSI’s debt use EBITDA in their calculations. EBITDA is presented by the REIT on a consistent basis from period to period, thereby allowing for consistent comparability of its operating performance.

In addition, significant income tax items that did not relate to income earned in the current period are reported separately and have been identified as “taxes associated with reorganization”. In the second quarter of 2006, an income tax provision was recorded with respect to the Reorganization and related primarily to withholding taxes on the cumulative undistributed share of earnings of EHSI.

The above line items are calculated on an after-tax basis as a means of deriving the remaining earnings from health care operations and related diluted earnings per unit, the results of which are referred to as “continuing health care operations before undernoted”. This is a measure commonly used by the REIT and its investors as a means of assessing the performance of the core operations in comparison to prior periods.

REIT, on a consolidated basis, as determined in accordance with GAAP, subject to certain adjustments as set out in the REIT’s Deed of Trust. Funds from Operations, or FFO, is defined as net earnings (loss) of the REIT adjusted for non-cash items and other items not representative of the REIT’s operating performance. Adjusted Funds from Operations, or AFFO, is defined as Distributable Income further reduced by maintenance (non-growth) capital expenditures not already reflected in the calculation of Distributable Income.

**EXTENDICARE REIT**  
**Quarterly Earnings (Loss) (note)**  
(unaudited)

(thousands of Canadian dollars except per unit amounts)

	2008					2007					2006
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total
<b>Revenue</b>	------(revised)-----					------(revised)-----					(revised)
Nursing centres											
United States	326,563	328,702	343,839	405,103	1,404,207	294,221	278,778	268,437	299,045	1,140,481	1,094,599
Canada	105,574	108,763	110,488	121,306	446,131	99,560	104,114	105,155	109,829	418,658	399,222
Assisted living centres - U.S.	1,489	1,478	1,611	1,693	6,271	738	740	975	1,187	3,640	3,388
Home health - Canada <sup>1</sup>	34,311	39,503	36,382	38,732	148,928	35,380	35,023	35,200	36,194	141,797	141,104
Outpatient therapy - U.S.	2,992	3,134	3,286	3,544	12,956	3,254	3,241	2,986	2,778	12,259	12,384
Other	11,141	11,593	11,379	11,782	45,895	13,007	11,995	11,028	11,005	47,035	43,169
	482,070	493,173	506,985	582,160	2,064,388	446,160	433,891	423,781	460,038	1,763,870	1,693,866
<b>Operating costs</b>	415,590	424,391	435,296	495,621	1,770,898	374,533	361,744	354,806	391,095	1,482,178	1,423,225
<b>Administrative costs</b>	17,073	20,118	16,827	20,030	74,048	17,070	15,897	15,650	15,801	64,418	70,455
<b>Lease costs</b>	3,072	3,255	3,271	3,789	13,387	3,206	3,026	3,084	3,030	12,346	13,704
<b>EBITDA</b> <sup>2</sup>	46,335	45,409	51,591	62,720	206,055	51,351	53,224	50,241	50,112	204,928	186,482
Depreciation and amortization	13,707	14,260	14,819	17,374	60,160	12,263	11,941	11,433	12,773	48,410	46,736
Accretion expense	366	368	376	420	1,530	330	323	308	332	1,293	1,226
Interest expense	21,350	21,226	23,552	26,459	92,587	17,842	19,266	19,704	20,212	77,024	64,429
Interest revenue	(1,450)	(1,434)	(1,882)	(1,578)	(6,344)	(1,646)	(1,486)	(3,160)	(2,067)	(8,359)	(6,958)
<b>Earnings before undernoted</b>	12,362	10,989	14,726	20,045	58,122	22,562	23,180	21,956	18,862	86,560	81,049
Gain (loss) on derivative financial instruments and foreign exchange	(4,212)	2,045	(3,046)	(20,131)	(25,344)	1,497	15,557	3,425	(2,461)	18,018	(66,750)
Gain (loss) from restructuring charges, asset impairment, disposals and other items	-	-	(2,315)	1,460	(855)	-	2,192	-	-	2,192	(55,181)
<b>Earnings (loss) from continuing operations before income taxes</b>	8,150	13,034	9,365	1,374	31,923	24,059	40,929	25,381	16,401	106,770	(40,882)
<b>Income tax expense (recovery)</b>											
Current	6,255	5,090	6,523	9,079	26,947	5,970	8,152	6,404	3,435	23,961	2,652
Future	(1,644)	(1,440)	(866)	862	(3,088)	(50)	5,921	2,905	1,589	10,365	(10,134)
Taxes assoc. with reorganization	-	-	-	-	-	-	-	-	-	-	15,570
	4,611	3,650	5,657	9,941	23,859	5,920	14,073	9,309	5,024	34,326	8,088
<b>Earnings (loss) from continuing health care operations</b>	3,539	9,384	3,708	(8,567)	8,064	18,139	26,856	16,072	11,377	72,444	(48,970)
Share of equity accounted earnings	-	-	-	-	-	580	961	-	-	1,541	5,220
<b>Earnings (loss) from continuing operations</b>	3,539	9,384	3,708	(8,567)	8,064	18,719	27,817	16,072	11,377	73,985	(43,750)
Earnings (loss) from discontinued operations, net of income taxes	39	1,293	(105)	4,097	5,324	(3,353)	492	156	(899)	(3,604)	8,022
<b>Net earnings (loss)</b>	3,578	10,677	3,603	(4,470)	13,388	15,366	28,309	16,228	10,478	70,381	(35,728)
Preferred share dividends	-	-	-	-	-	-	-	-	-	-	648
<b>Earnings (loss) attributable to common equity</b>	3,578	10,677	3,603	(4,470)	13,388	15,366	28,309	16,228	10,478	70,381	(36,376)
<b>Components of Diluted Earnings (Loss) per Unit</b>											
Health care operations before undernoted <sup>3</sup>	0.10	0.10	0.12	0.11	0.43	0.25	0.19	0.20	0.19	0.83	0.81
Gain (loss) on derivative financial instruments and foreign exchange	(0.05)	0.03	(0.05)	(0.24)	(0.31)	0.01	0.17	0.03	(0.03)	0.18	(0.81)
Gain (loss) from restructuring charges, asset impairment, disposals and other items	-	-	(0.02)	0.01	(0.01)	-	0.02	-	-	0.02	(0.49)
Taxes assoc. with reorganization	-	-	-	-	-	-	-	-	-	-	(0.23)
Share of equity accounted earnings	-	-	-	-	-	0.01	0.01	-	-	0.02	0.08
	0.05	0.13	0.05	(0.12)	0.11	0.27	0.39	0.23	0.16	1.05	(0.64)
Earnings (loss) from discontinued operations, net of income taxes	-	0.02	-	0.05	0.07	(0.05)	0.01	-	(0.01)	(0.05)	0.11
	0.05	0.15	0.05	(0.07)	0.18	0.22	0.40	0.23	0.15	1.00	(0.53)
<sup>1</sup> ParaMed home health care hours (000's)	1,101	1,136	1,120	1,138	4,495	1,143	1,147	1,136	1,145	4,571	4,776
<sup>2</sup> EBITDA as a % of revenue	9.6%	9.2%	10.2%	10.8%	10.0%	11.5%	12.3%	11.9%	10.9%	11.6%	11.0%
<sup>3</sup> Earnings from continuing health care prior to gain (loss) on derivative financial instruments and foreign exchange, restructuring charges, asset impairment, disposals and other items	7,068	7,457	8,396	8,064	30,985	17,242	13,907	13,910	13,013	58,072	56,423

Note: Certain comparative figures have been revised from those originally reported to conform to the presentation in 2008, mainly for discontinued operations. There have been no additional changes to amounts as reported at September 30, 2008.

**EXTENDICARE REIT**  
**Quarterly Segmented Information (note 1)**  
(unaudited)

(thousands of dollars)

	1	2	4	6	7	8	9	11	13	14	15	
	2008					2007					2006	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total	
<b>9 Revenue</b>												
12 U.S. operations in (US\$)	338,235	338,357	343,624	348,124	1,368,340	263,760	266,283	268,653	312,342	1,111,038	1,010,389	
13 Translation to Canadian dollars	1,419	3,452	13,902	71,537	90,310	45,262	26,241	12,760	(1,156)	83,107	135,494	
14 U.S. operations (C\$)	339,654	341,809	357,526	419,661	1,458,650	309,022	292,524	281,413	311,186	1,194,145	1,145,883	
15 Canadian operations	142,416	151,364	149,459	162,499	605,738	137,138	141,367	142,368	148,852	569,725	547,983	
16	482,070	493,173	506,985	582,160	2,064,388	446,160	433,891	423,781	460,038	1,763,870	1,693,866	
17	-	-	-	-	-	-	-	-	-	-	-	
<b>27 Net Operating Income (revenue less operating expenses)</b>												
30 U.S. operations in (US\$)	50,500	46,493	47,705	52,152	196,850	47,137	47,110	45,734	48,863	188,844	172,144	
31 Translation to Canadian dollars	210	488	1,965	10,329	12,992	8,090	4,625	2,054	(643)	14,126	23,086	
32 U.S. operations (C\$)	50,710	46,981	49,670	62,481	209,842	55,227	51,735	47,788	48,220	202,970	195,230	
33 Canadian operations	15,770	21,801	22,019	24,058	83,648	16,400	20,412	21,187	20,723	78,722	75,411	
34	66,480	68,782	71,689	86,539	293,490	71,627	72,147	68,975	68,943	281,692	270,641	
35	-	-	-	-	-	-	-	-	-	-	-	
<b>36 EBITDA</b>												
39 U.S. operations in (US\$)	36,734	32,402	34,459	38,608	142,203	34,563	35,340	33,514	37,350	140,767	124,157	
40 Translation to Canadian dollars	152	346	1,410	7,479	9,387	5,932	3,499	1,481	(382)	10,530	16,652	
41 U.S. operations (C\$)	36,886	32,748	35,869	46,087	151,590	40,495	38,839	34,995	36,968	151,297	140,809	
42 Canadian operations	9,449	12,661	15,722	16,633	54,465	10,856	14,385	15,246	13,144	53,631	45,673	
43	46,335	45,409	51,591	62,720	206,055	51,351	53,224	50,241	50,112	204,928	186,482	
44	-	-	-	-	-	-	-	-	-	-	-	
<b>45 Health Care Earnings from Continuing Operations - before separately reported gains/losses (note 2)</b>												
46 U.S. operations in (US\$)	7,109	4,995	4,901	4,142	21,147	12,409	10,371	8,888	11,280	42,948	40,959	
47 Translation to Canadian dollars	28	62	230	1,080	1,400	2,106	991	308	(92)	3,313	5,160	
48 U.S. operations (C\$)	7,137	5,057	5,131	5,222	22,547	14,515	11,362	9,196	11,188	46,261	46,119	
49 Canadian operations	(69)	2,400	3,265	2,842	8,438	2,727	2,545	4,714	1,825	11,811	10,304	
50	7,068	7,457	8,396	8,064	30,985	17,242	13,907	13,910	13,013	58,072	56,423	
51	-	-	-	-	-	-	-	-	-	-	-	
<b>52 Health Care Earnings (Loss) from Continuing Operations:</b>												
53 U.S. operations in (US\$)	2,980	5,814	(59)	(8,928)	(193)	13,180	17,086	11,224	8,642	50,132	(5,724)	
54 Translation to Canadian dollars	(1)	45	(17)	(1,311)	(1,284)	2,232	1,733	378	30	4,373	(911)	
55 U.S. operations (C\$)	2,979	5,859	(76)	(10,239)	(1,477)	15,412	18,819	11,602	8,672	54,505	(6,635)	
56 Canadian operations	560	3,525	3,784	1,672	9,541	2,727	8,037	4,470	2,705	17,939	(42,335)	
57	3,539	9,384	3,708	(8,567)	8,064	18,139	26,856	16,072	11,377	72,444	(48,970)	
58	-	-	-	-	-	-	-	-	-	-	-	
<b>59 Health Care Net Earnings (Loss)</b>												
60 U.S. operations in (US\$)	3,016	7,098	(173)	(5,523)	4,418	10,308	17,530	11,376	7,823	47,037	1,265	
61 Translation to Canadian dollars	2	54	(8)	(619)	(571)	1,751	1,781	382	(50)	3,864	122	
62 U.S. operations (C\$)	3,018	7,152	(181)	(6,142)	3,847	12,059	19,311	11,758	7,773	50,901	1,387	
63 Canadian operations	560	3,525	3,784	1,672	9,541	2,727	8,037	4,470	2,705	17,939	(42,335)	
64	3,578	10,677	3,603	(4,470)	13,388	14,786	27,348	16,228	10,478	68,840	(40,948)	
65	-	-	-	-	-	-	-	-	-	-	-	
66 <b>Average US/Cdn dollar exchange</b>	1.0042	1.0102	1.0406	1.2078	1.0660	1.1716	1.0986	1.0477	0.9837	1.0748	1.1341	

Notes:

- 1 Certain comparative figures have been revised from those originally reported to conform to the presentation in 2008, mainly for discontinued operations. There have been no additional changes to amounts as reported at September 30, 2008.
- 2 Health care net earnings before gain (loss) on derivative financial instruments and foreign exchange, net of tax, and gain (loss) from asset impairment, disposals and other items, net of tax.
- 3 These are the actual Bank of Canada average rates of exchange for the period. The year-to-date revenue and expenses of self-sustaining foreign operations are translated at the average year-to-date rates of exchange, and the results of the quarters are calculated by deducting the previously reported year-to-date results from the current year-to-date results. In addition, specific transactions such as gains or losses related to restructuring charges, asset disposals, impairment and other items, are translated at rates of exchange in effect at the time of the transactions. Therefore, the effective exchange rates calculated from the translated amounts reported above, may differ from the actual average rates of exchange indicated for the period.

**Extendicare Real Estate Investment Trust**

(unaudited)

**Reconciliation of EBITDA to AFFO**

<i>(thousands of Canadian dollars, unless otherwise noted)</i>	2008					2007 <sup>(2)</sup>					2006 <sup>(2)</sup>
	Q1 <sup>(2)</sup>	Q2 <sup>(2)</sup>	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total
<b>EBITDA from continuing health care operations</b>	46,335	45,409	51,591	62,720	<b>206,055</b>	51,351	53,224	50,241	50,112	<b>204,928</b>	<b>186,482</b>
Depreciation for FFEC	(4,166)	(4,567)	(4,842)	(5,865)	<b>(19,440)</b>	(3,531)	(3,509)	(3,360)	(3,951)	<b>(14,351)</b>	<b>(14,426)</b>
Interest expense, net	(19,900)	(19,792)	(21,670)	(24,881)	<b>(86,243)</b>	(16,196)	(17,780)	(16,544)	(18,145)	<b>(68,665)</b>	<b>(57,471)</b>
Pre-tax adjusted earnings from continuing health care operations	22,269	21,050	25,079	31,974	<b>100,372</b>	31,624	31,935	30,337	28,016	<b>121,912</b>	<b>114,585</b>
Current income taxes	6,255	5,090	6,523	9,079	<b>26,947</b>	5,970	8,152	6,404	3,435	<b>23,961</b>	<b>18,222</b>
Deduct current income tax (expense) recovery on unusual items	(580)	(279)	(262)	(352)	<b>(1,473)</b>	(757)	(7)	195	1,572	<b>1,003</b>	<b>13,613</b>
	5,675	4,811	6,261	8,727	<b>25,474</b>	5,213	8,145	6,599	5,007	<b>24,964</b>	<b>31,835</b>
<b>FFO (continuing operations)</b>	16,594	16,239	18,818	23,247	<b>74,898</b>	26,411	23,790	23,738	23,009	<b>96,948</b>	<b>82,750</b>
Amortization of deferred financing costs	1,562	1,622	2,104	2,469	<b>7,757</b>	1,079	1,159	1,572	1,526	<b>5,336</b>	<b>2,628</b>
Principal portion of government capital funding payments	541	540	539	553	<b>2,173</b>	510	514	510	513	<b>2,047</b>	<b>1,929</b>
<b>DI (continuing operations)</b>	18,697	18,401	21,461	26,269	<b>84,828</b>	28,000	25,463	25,820	25,048	<b>104,331</b>	<b>87,307</b>
Facility maintenance capital expenditures	(338)	(3,072)	(1,760)	(3,740)	<b>(8,910)</b>	(2,489)	(4,249)	(4,547)	(9,219)	<b>(20,504)</b>	<b>(17,823)</b>
<b>AFFO (continuing operations)</b>	18,359	15,329	19,701	22,529	<b>75,918</b>	25,511	21,214	21,273	15,829	<b>83,827</b>	<b>69,484</b>
AFFO (discontinued operations)	70	1,396	285	1,125	<b>2,876</b>	727	817	662	(523)	<b>1,683</b>	<b>(364)</b>
<b>AFFO</b>	18,429	16,725	19,986	23,654	<b>78,794</b>	26,238	22,031	21,935	15,306	<b>85,510</b>	<b>69,120</b>
<b>Per Basic Unit (\$)</b>											
FFO (continuing operations)	0.235	0.229	0.254	0.316	<b>1.034</b>	0.376	0.338	0.338	0.326	<b>1.378</b>	<b>1.210</b>
AFFO (continuing operations)	0.261	0.215	0.266	0.306	<b>1.048</b>	0.363	0.302	0.302	0.225	<b>1.192</b>	<b>1.017</b>
AFFO	0.262	0.235	0.270	0.320	<b>1.087</b>	0.374	0.313	0.311	0.218	<b>1.216</b>	<b>1.011</b>
<b>Per Diluted Unit (\$)</b>											
FFO (continuing operations)	0.235	0.229	0.248	0.296	<b>1.008</b>	0.376	0.336	0.328	0.319	<b>1.359</b>	<b>1.200</b>
AFFO (continuing operations)	0.254	0.211	0.248	0.279	<b>0.992</b>	0.363	0.299	0.289	0.217	<b>1.168</b>	<b>1.008</b>
AFFO	0.255	0.229	0.251	0.291	<b>1.026</b>	0.374	0.310	0.298	0.209	<b>1.191</b>	<b>1.002</b>
Basic weighted average number of units (thousands)	70,471	71,109	74,156	74,068	<b>72,460</b>	70,234	70,324	70,372	70,413	<b>70,336</b>	<b>68,355</b>
Diluted weighted average number of units (thousands)	76,250	77,869	88,041	87,953	<b>82,558</b>	70,234	70,896	76,151	76,192	<b>73,392</b>	<b>68,955</b>

**Capital Additions to Property and Equipment**

<i>(thousands of Canadian dollars)</i>	2008					2007					2006
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total
Components of REIT operations											
Growth expenditures	9,561	8,638	14,637	6,348	<b>39,184</b>	9,323	11,988	10,127	8,669	<b>40,107</b>	<b>29,523</b>
Facility maintenance	4,504	7,639	6,602	9,605	<b>28,350</b>	6,020	7,758	7,907	13,170	<b>34,855</b>	<b>32,249</b>
	14,065	16,277	21,239	15,953	<b>67,534</b>	15,343	19,746	18,034	21,839	<b>74,962</b>	<b>61,772</b>
ALC operations distributed	-	-	-	-	-	-	-	-	-	-	<b>14,829</b>
Consolidated reported	14,065	16,277	21,239	15,953	<b>67,534</b>	15,343	19,746	18,034	21,839	<b>74,962</b>	<b>76,601</b>

1. "EBITDA", "funds from operations", "distributable income" and "adjusted funds from operations" are not recognized measures under GAAP and do not have a standardized meaning prescribed by GAAP. Refer to discussion of non-GAAP measures.

2. Revised from originally reported amounts, for discontinued operations. There have been no additional changes to results as reported at September 30, 2008.

## Extendicare Real Estate Investment Trust

(unaudited)

### Reconciliation of Net Earnings (Loss) to Funds from Operations, Distributable Income and Adjusted Funds from Operations <sup>(1)</sup>

<i>(thousands of Canadian dollars unless otherwise noted)</i>	Q4 2008			YTD Dec 2008		
	Contin'g	Discont'd	Total	Contin'g	Discont'd	Total
<b>Net earnings (loss)</b>	<b>(8,567)</b>	<b>4,097</b>	<b>(4,470)</b>	<b>8,064</b>	<b>5,324</b>	<b>13,388</b>
<b>Adjustments:</b>						
Depreciation and amortization expense	17,374	117	17,491	60,160	1,065	61,225
Deduct depreciation for FFEC	(5,865)	-	(5,865)	(19,440)	-	(19,440)
Accretion expense	420	10	430	1,530	43	1,573
Loss (gain) on derivative financial instruments and foreign exchange	20,131	-	20,131	25,344	-	25,344
Loss (gain) from asset impairment, disposals and other items	(1,460)	(7,105)	(8,565)	855	(7,579)	(6,724)
Current tax expense (recovery) on loss (gain) from derivatives, asset impairment, disposals and other items	352	3,143	3,495	1,473	1,224	2,697
Future income taxes	862	863	1,725	(3,088)	2,799	(289)
<b>Funds from operations, before working capital changes</b>	<b>23,247</b>	<b>1,125</b>	<b>24,372</b>	<b>74,898</b>	<b>2,876</b>	<b>77,774</b>
Amortization of deferred financing costs	2,469	-	2,469	7,757	-	7,757
Principal portion of government capital funding payments	553	-	553	2,173	-	2,173
<b>Distributable income</b>	<b>26,269</b>	<b>1,125</b>	<b>27,394</b>	<b>84,828</b>	<b>2,876</b>	<b>87,704</b>
Additional maintenance capital expenditures <sup>(2)</sup>	(3,740)	-	(3,740)	(8,910)	-	(8,910)
<b>Adjusted funds from operations</b>	<b>22,529</b>	<b>1,125</b>	<b>23,654</b>	<b>75,918</b>	<b>2,876</b>	<b>78,794</b>
<b>Per Unit (\$)</b>						
FFO - basic	0.316	0.014	0.330	1.034	0.039	1.073
FFO - diluted	0.296	0.013	0.309	1.008	0.035	1.043
DI - basic	0.357	0.014	0.371	1.171	0.039	1.210
DI - diluted	0.322	0.013	0.335	1.099	0.035	1.134
AFFO - basic	0.306	0.014	0.320	1.048	0.039	1.087
AFFO - diluted	0.279	0.012	0.291	0.992	0.034	1.026
<b>Distributions declared</b>			20,533			80,575
<b>Distributions declared per unit</b>			0.2775			1.1100
<b>Basic weighted average number of units</b> (thousands)			<b>74,068</b>			<b>72,460</b>
<b>Diluted weighted average number of units</b> (thousands)			<b>87,953</b>			<b>82,558</b>

### Reconciliation of Cash Provided by Operating Activities to Distributable Income and Adjusted Funds from Operations <sup>(1)</sup>

<i>(thousands of Canadian dollars)</i>	Q1-08	Q2-08	Q3-08	Q4-08	YTD Dec-08
<b>Cash provided by operating activities</b>	<b>11,969</b>	<b>6,698</b>	<b>40,136</b>	<b>46,339</b>	<b>105,142</b>
<b>Add (Deduct):</b>					
Net change in operating assets and liabilities	9,755	11,533	(12,199)	(18,905)	(9,816)
Current tax expense (recovery) on loss (gain) from derivatives, asset impairment, disposals and other items	104	(1,272)	370	3,495	2,697
Net provisions and payments for self-insured liabilities	307	6,901	(2,122)	2,590	7,676
Depreciation for FFEC	(4,166)	(4,567)	(4,842)	(5,865)	(19,440)
Other	257	(36)	(136)	(813)	(728)
Principal portion of government capital funding payments	541	540	539	553	2,173
<b>Distributable income</b>	<b>18,767</b>	<b>19,797</b>	<b>21,746</b>	<b>27,394</b>	<b>87,704</b>
Additional maintenance capital expenditures	(338)	(3,072)	(1,760)	(3,740)	(8,910)
<b>Adjusted funds from operations</b>	<b>18,429</b>	<b>16,725</b>	<b>19,986</b>	<b>23,654</b>	<b>78,794</b>

1. "EBITDA", "funds from operations", "distributable income" and "adjusted funds from operations" are not recognized measures under GAAP and do not have a standardized meaning prescribed by GAAP. Refer to discussion of non-GAAP measures.

2. Represents total facility maintenance capital expenditures less depreciation for furniture, fixtures, equipment and computers (FFEC) already deducted in determining Distributable Income.

**Extencicare Real Estate Investment Trust**

(unaudited)

**Reconciliation of Net Earnings (Loss) to Funds from Operations, Distributable Income and Adjusted Funds from Operations <sup>(1)</sup>**

<i>(thousands of Canadian dollars unless otherwise noted)</i>	Q4 2007 <sup>(3)</sup>			Year ended December 2007 <sup>(3)</sup>			Year ended December 2006 <sup>(3)</sup>		
	Contin'g	Discont'd	Total	Contin'g	Discont'd	Total	Contin'g	Discont'd	Total
<b>Net earnings (loss)</b>	<b>11,377</b>	<b>(899)</b>	<b>10,478</b>	<b>73,985</b>	<b>(3,604)</b>	<b>70,381</b>	<b>(43,750)</b>	<b>8,022</b>	<b>(35,728)</b>
<b>Adjustments:</b>									
Earnings of ALC before depreciation, amortization and accretion, net of current tax							-	(35,992)	(35,992)
Depreciation and amortization expense	12,773	373	13,146	48,410	1,662	50,072	46,740	18,674	65,414
Deduct depreciation for FFEC	(3,951)	-	(3,951)	(14,351)	-	(14,351)	(14,426)	-	(14,426)
Accretion expense	332	19	351	1,293	99	1,392	1,226	143	1,369
Loss (gain) on derivative financial instruments and foreign exchange	2,461	-	2,461	(18,018)	-	(18,018)	66,750	-	66,750
Loss (gain) from asset impairment, disposals and other item:	-	36	36	(2,192)	5,711	3,519	55,181	10,812	65,993
Current tax expense (recovery) on loss (gain) from derivatives, asset impairment, disposals and other item:	(1,572)	(1,448)	(3,020)	(1,003)	(1,321)	(2,324)	(13,613)	(961)	(14,574)
Future income taxes	1,589	1,396	2,985	10,365	(864)	9,501	(10,134)	(1,066)	(11,200)
Share of undistributed equity accounted earnings	-	-	-	(1,541)	-	(1,541)	(5,220)	-	(5,220)
<b>Funds from operations, before working capital changes</b>	<b>23,009</b>	<b>(523)</b>	<b>22,486</b>	<b>96,948</b>	<b>1,683</b>	<b>98,631</b>	<b>82,754</b>	<b>(368)</b>	<b>82,386</b>
Amortization of deferred financing costs	1,526	-	1,526	5,336	-	5,336	2,628	-	2,628
Principal portion of government capital funding payment	513	-	513	2,047	-	2,047	1,929	-	1,929
<b>Distributable income</b>	<b>25,048</b>	<b>(523)</b>	<b>24,525</b>	<b>104,331</b>	<b>1,683</b>	<b>106,014</b>	<b>87,311</b>	<b>(368)</b>	<b>86,943</b>
Additional maintenance capital expenditures <sup>(2)</sup>	(9,219)	-	(9,219)	(20,504)	-	(20,504)	(17,823)	-	(17,823)
<b>Adjusted funds from operations</b>	<b>15,829</b>	<b>(523)</b>	<b>15,306</b>	<b>83,827</b>	<b>1,683</b>	<b>85,510</b>	<b>69,488</b>	<b>(368)</b>	<b>69,120</b>
<b>Per Unit (\$)</b>									
FFO - basic	0.326	(0.007)	0.319	1.378	0.024	1.402	1.210	(0.005)	1.205
FFO - diluted	0.319	(0.007)	0.312	1.359	0.023	1.382	1.200	(0.005)	1.195
DI - basic	0.355	(0.007)	0.348	1.483	0.024	1.507	1.277	(0.005)	1.272
DI - diluted	0.340	(0.007)	0.333	1.447	0.023	1.470	1.266	(0.005)	1.261
AFFO - basic	0.225	(0.007)	0.218	1.192	0.024	1.216	1.017	(0.006)	1.011
AFFO - diluted	0.217	(0.008)	0.209	1.168	0.023	1.191	1.008	(0.006)	1.002
<b>Distributions declared</b>			19,542			78,084			12,988
<b>Distributions declared per unit</b>			0.2775			1.1100			0.1850
<b>Basic weighted average number of units (thousands)</b>			<b>70,413</b>			<b>70,336</b>			<b>68,355</b>
<b>Diluted weighted average number of units (thousands)</b>			<b>76,192</b>			<b>73,392</b>			<b>68,955</b>

**Reconciliation of Cash Provided by Operating Activities to Distributable Income and Adjusted Funds from Operations <sup>(1)</sup>**

<i>(thousands of Canadian dollars)</i>	Q1-07	Q2-07	Q3-07	Q4-07	YTD Dec. 2007	YTD Dec. 2006
<b>Cash provided by operating activities</b>	<b>30,347</b>	<b>23,334</b>	<b>34,042</b>	<b>27,864</b>	<b>115,587</b>	<b>128,784</b>
<b>Add (Deduct):</b>						
Net change in operating assets and liabilities	(1,212)	900	(4,539)	96	(4,755)	11,884
Earnings of ALC, after adjustments for non-cash items, net of current income tax	-	-	-	-	-	(34,220)
Current tax expense (recovery) on loss (gain) from derivatives						
asset impairment, disposals and other items	(1,587)	2,478	(195)	(3,020)	(2,324)	(14,574)
Net provisions and payments for self-insured liabilities:	3,705	2,540	(103)	2,958	9,100	7,332
Depreciation for FFEC	(3,531)	(3,509)	(3,360)	(3,951)	(14,351)	(14,426)
Other	495	23	127	65	710	234
Principal portion of government capital funding payment	510	514	510	513	2,047	1,929
<b>Distributable income</b>	<b>28,727</b>	<b>26,280</b>	<b>26,482</b>	<b>24,525</b>	<b>106,014</b>	<b>86,943</b>
Additional maintenance capital expenditures	(2,489)	(4,249)	(4,547)	(9,219)	(20,504)	(17,823)
<b>Adjusted funds from operations</b>	<b>26,238</b>	<b>22,031</b>	<b>21,935</b>	<b>15,306</b>	<b>85,510</b>	<b>69,120</b>

1. "EBITDA", "funds from operations", "distributable income" and "adjusted funds from operations" are not recognized measures under GAA and do not have a standardized meaning prescribed by GAAP. Refer to discussion of non-GAAP measure;
2. Represents total facility maintenance capital expenditures less depreciation for furniture, fixtures, equipment and computers (FFEC) already deducted in determining Distributable Income
3. Revised from originally reported amounts, for discontinued operations identified in 2008. There have been no additional changes to results as reported at September 30, 2008.

**EXTENDICARE HEALTH SERVICES, INC.**  
**OPERATING STATISTICS**

(unaudited)

	2008					2007					2006	2005	2004
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total
<b>6 CENSUS - same-facility basis (excludes managed facilities)</b>													
<b>7 Average occupancy</b>													
8 Nursing	89.7%	88.6%	88.9%	88.1%	88.8%	90.9%	90.5%	90.2%	89.9%	90.4%			
9 Assisted living	81.9%	84.5%	85.1%	84.0%	83.9%	80.8%	82.7%	84.2%	83.8%	82.9%			
10 Combined	89.6%	88.6%	88.8%	88.1%	88.8%	90.8%	90.5%	90.1%	89.9%	90.3%			
<b>11 Skilled nursing facility - average daily census by payor source</b>													
12 Medicare	2,375	2,280	2,093	2,042	2,197	2,437	2,415	2,180	2,222	2,312			
13 Managed Care	<u>753</u>	<u>817</u>	<u>806</u>	<u>767</u>	<u>785</u>	<u>623</u>	<u>622</u>	<u>638</u>	<u>683</u>	<u>642</u>			
14 Skilled Mix	3,128	3,097	2,899	2,809	2,982	3,060	3,037	2,818	2,905	2,954			
15 Private/other	<u>1,228</u>	<u>1,237</u>	<u>1,308</u>	<u>1,324</u>	<u>1,275</u>	<u>1,333</u>	<u>1,341</u>	<u>1,358</u>	<u>1,337</u>	<u>1,343</u>			
16 Quality Mix	4,356	4,334	4,207	4,133	4,257	4,393	4,378	4,176	4,242	4,297			
17 Medicaid	<u>8,011</u>	<u>7,870</u>	<u>8,033</u>	<u>8,019</u>	<u>7,983</u>	<u>8,168</u>	<u>8,128</u>	<u>8,273</u>	<u>8,147</u>	<u>8,179</u>			
18 Total	<u>12,367</u>	<u>12,204</u>	<u>12,240</u>	<u>12,152</u>	<u>12,240</u>	<u>12,561</u>	<u>12,506</u>	<u>12,449</u>	<u>12,389</u>	<u>12,476</u>			
<b>19 Skilled nursing facility - percent of average daily census by payor source</b>													
20 Medicare	19.2%	18.7%	17.1%	16.8%	18.0%	19.4%	19.3%	17.5%	17.9%	18.5%			
21 Managed Care	<u>6.1%</u>	<u>6.7%</u>	<u>6.6%</u>	<u>6.3%</u>	<u>6.4%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.1%</u>	<u>5.5%</u>	<u>5.1%</u>			
22 Skilled Mix	25.3%	25.4%	23.7%	23.1%	24.4%	24.4%	24.3%	22.6%	23.4%	23.6%			
23 Private/other	<u>9.9%</u>	<u>10.1%</u>	<u>10.7%</u>	<u>10.9%</u>	<u>10.4%</u>	<u>10.6%</u>	<u>10.7%</u>	<u>10.9%</u>	<u>10.8%</u>	<u>10.8%</u>			
24 Quality Mix	35.2%	35.5%	34.4%	34.0%	34.8%	35.0%	35.0%	33.5%	34.2%	34.4%			
25 Medicaid	64.8%	64.5%	65.6%	66.0%	65.2%	65.0%	65.0%	66.5%	65.8%	65.6%			
<b>26 Assisted living facility - average daily census by payor source</b>													
27 Private/other	66	64	66	68	66	71	72	71	71	71			
28 Medicaid	<u>40</u>	<u>45</u>	<u>44</u>	<u>40</u>	<u>42</u>	<u>33</u>	<u>35</u>	<u>38</u>	<u>37</u>	<u>36</u>			
29 Total	<u>106</u>	<u>109</u>	<u>110</u>	<u>108</u>	<u>108</u>	<u>104</u>	<u>107</u>	<u>109</u>	<u>108</u>	<u>107</u>			
<b>30 Assisted living facility - percent of average daily census by payor source</b>													
31 Private/other	62.1%	58.7%	60.2%	63.0%	61.0%	67.8%	67.4%	65.2%	66.0%	66.6%			
32 Medicaid	37.9%	41.3%	39.8%	37.0%	39.0%	32.2%	32.6%	34.8%	34.0%	33.4%			
<b>33 CENSUS - continuing operations (excludes managed facilities)</b>													
<b>34 Average occupancy</b>													
35 Nursing	88.9%	87.8%	88.2%	87.9%	88.2%	90.9%	90.5%	90.2%	89.3%	90.2%	91.8%	93.3%	92.6%
36 Assisted living	84.7%	84.9%	84.4%	83.2%	84.3%	80.8%	82.7%	85.9%	85.2%	84.0%	69.8%	78.7%	85.3%
37 Combined	88.9%	87.8%	88.2%	87.8%	88.2%	90.8%	90.4%	90.1%	89.2%	90.1%	91.5%	93.1%	92.4%
<b>38 Skilled nursing facility - average daily census by payor source</b>													
39 Medicare	2,842	2,756	2,553	2,493	2,660	2,437	2,422	2,192	2,509	2,390	2,318	2,250	2,026
40 Managed Care	<u>885</u>	<u>975</u>	<u>968</u>	<u>942</u>	<u>943</u>	<u>623</u>	<u>625</u>	<u>643</u>	<u>734</u>	<u>656</u>	<u>513</u>	<u>388</u>	<u>382</u>
41 Skilled Mix	3,727	3,731	3,521	3,435	3,603	3,060	3,047	2,835	3,243	3,046	2,831	2,638	2,408
42 Private/other	<u>1,643</u>	<u>1,654</u>	<u>1,760</u>	<u>1,750</u>	<u>1,702</u>	<u>1,333</u>	<u>1,345</u>	<u>1,364</u>	<u>1,637</u>	<u>1,421</u>	<u>1,430</u>	<u>1,528</u>	<u>1,669</u>
43 Quality Mix	5,370	5,385	5,281	5,185	5,305	4,393	4,392	4,199	4,880	4,467	4,261	4,166	4,077
44 Medicaid	<u>10,042</u>	<u>9,878</u>	<u>10,058</u>	<u>10,089</u>	<u>10,017</u>	<u>8,168</u>	<u>8,159</u>	<u>8,320</u>	<u>9,530</u>	<u>8,547</u>	<u>8,213</u>	<u>7,963</u>	<u>7,869</u>
45 Total	<u>15,412</u>	<u>15,263</u>	<u>15,339</u>	<u>15,274</u>	<u>15,322</u>	<u>12,561</u>	<u>12,551</u>	<u>12,519</u>	<u>14,410</u>	<u>13,014</u>	<u>12,474</u>	<u>12,129</u>	<u>11,946</u>
<b>46 Skilled nursing facility - percent of average daily census by payor source</b>													
47 Medicare	18.4%	18.1%	16.6%	16.3%	17.3%	19.4%	19.3%	17.5%	17.4%	18.4%	18.6%	18.6%	16.9%
48 Managed Care	<u>5.8%</u>	<u>6.4%</u>	<u>6.3%</u>	<u>6.2%</u>	<u>6.2%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.1%</u>	<u>5.1%</u>	<u>5.0%</u>	<u>4.1%</u>	<u>3.2%</u>	<u>3.2%</u>
49 Skilled Mix	24.2%	24.5%	22.9%	22.5%	23.5%	24.4%	24.3%	22.6%	22.5%	23.4%	22.7%	21.8%	20.1%
50 Private/other	<u>10.6%</u>	<u>10.8%</u>	<u>11.5%</u>	<u>11.5%</u>	<u>11.1%</u>	<u>10.6%</u>	<u>10.7%</u>	<u>10.9%</u>	<u>11.4%</u>	<u>10.9%</u>	<u>11.5%</u>	<u>12.6%</u>	<u>14.0%</u>
51 Quality Mix	34.8%	35.3%	34.4%	34.0%	34.6%	35.0%	35.0%	33.5%	33.9%	34.3%	34.2%	34.4%	34.1%
52 Medicaid	65.2%	64.7%	65.6%	66.0%	65.4%	65.0%	65.0%	66.5%	66.1%	65.7%	65.8%	65.6%	65.9%
<b>53 Assisted living facility - average daily census by payor source</b>													
54 Private/other	169	165	165	165	166	71	72	105	138	97	89	119	229
55 Medicaid	<u>40</u>	<u>45</u>	<u>43</u>	<u>40</u>	<u>42</u>	<u>33</u>	<u>35</u>	<u>38</u>	<u>37</u>	<u>36</u>	<u>26</u>	<u>24</u>	<u>36</u>
56 Total	<u>209</u>	<u>210</u>	<u>208</u>	<u>205</u>	<u>208</u>	<u>104</u>	<u>107</u>	<u>143</u>	<u>175</u>	<u>133</u>	<u>115</u>	<u>143</u>	<u>265</u>
<b>57 Assisted living facility - percent of average daily census by payor source</b>													
58 Private/other	80.9%	78.5%	79.1%	80.5%	79.7%	67.8%	67.4%	73.6%	79.1%	73.0%	77.6%	82.8%	86.5%
59 Medicaid	19.1%	21.5%	20.9%	19.5%	20.3%	32.2%	32.6%	26.4%	20.9%	27.0%	22.4%	17.2%	13.5%

**EXTENDICARE HEALTH SERVICES, INC.**  
**OPERATING STATISTICS**

(unaudited)

	2008					2007					2006	2005	2004
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total
60 <b>REVENUE - same-facility basis</b> (excludes managed facilities)													
61 <b>Skilled nursing facility - percent of revenue by payor source</b> (includes prior period settlement adjustments)													
62 Medicare	36.8%	36.0%	33.5%	33.6%	35.0%	36.9%	36.8%	34.1%	35.5%	35.8%			
63 Managed Care	8.5%	9.9%	9.8%	9.5%	9.4%	7.0%	7.5%	7.5%	8.0%	7.5%			
64 Skilled Mix	45.3%	45.9%	43.3%	43.1%	44.4%	43.9%	44.3%	41.6%	43.5%	43.3%			
65 Private/other	8.9%	8.6%	9.4%	9.4%	9.1%	9.9%	9.4%	9.8%	9.2%	9.6%			
66 Quality Mix	54.2%	54.5%	52.7%	52.5%	53.5%	53.8%	53.7%	51.4%	52.7%	52.9%			
67 Medicaid	45.8%	45.5%	47.3%	47.5%	46.5%	46.2%	46.3%	48.6%	47.3%	47.1%			
68 <b>Skilled nursing facility - percent of revenue by payor source</b> (excludes prior period settlement adjustments)													
69 Medicare	36.8%	36.0%	33.5%	33.7%	35.0%	36.9%	36.8%	34.1%	35.4%	35.8%			
70 Total	8.5%	9.9%	9.8%	9.5%	9.4%	7.0%	7.5%	7.5%	8.0%	7.5%			
71 Skilled Mix	45.3%	45.9%	43.3%	43.2%	44.4%	43.9%	44.3%	41.6%	43.4%	43.3%			
72 Private/other	8.9%	8.6%	9.4%	9.4%	9.1%	9.9%	9.4%	9.8%	9.2%	9.6%			
73 Quality Mix	54.2%	54.5%	52.7%	52.6%	53.5%	53.8%	53.7%	51.4%	52.6%	52.9%			
74 Medicaid	45.8%	45.5%	47.3%	47.4%	46.5%	46.2%	46.3%	48.6%	47.4%	47.1%			
75 <b>Assisted living facility - percent of revenue by payor source</b>													
76 Private/other	68.5%	65.6%	65.8%	67.7%	66.9%	75.4%	75.8%	72.5%	69.3%	73.2%			
77 Medicaid	31.5%	34.4%	34.2%	32.3%	33.1%	24.6%	24.2%	27.5%	30.7%	26.8%			
78 <b>REVENUE - continuing operations</b> (excludes managed facilities)													
79 <b>Skilled nursing facility - percent of revenue by payor source</b> (includes prior period settlement adjustments)													
80 Medicare	35.6%	34.9%	32.7%	32.7%	34.0%	36.9%	36.8%	34.1%	34.6%	35.5%	35.6%	34.1%	32.7%
81 Managed Care	8.3%	9.8%	9.8%	9.6%	9.4%	7.0%	7.5%	7.5%	7.5%	7.4%	6.0%	4.5%	5.0%
82 Skilled Mix	43.9%	44.7%	42.5%	42.3%	43.4%	43.9%	44.3%	41.6%	42.1%	42.9%	41.6%	38.6%	37.7%
83 Private/other	9.6%	9.3%	10.1%	9.9%	9.7%	9.9%	9.4%	9.8%	9.9%	9.8%	10.3%	10.9%	12.6%
84 Quality Mix	53.5%	54.0%	52.6%	52.2%	53.1%	53.8%	53.7%	51.4%	52.0%	52.7%	51.9%	49.5%	50.3%
85 Medicaid	46.5%	46.0%	47.4%	47.8%	46.9%	46.2%	46.3%	48.6%	48.0%	47.3%	48.1%	50.5%	49.7%
86 <b>Skilled nursing facility - percent of revenue by payor source</b> (excludes prior period settlement adjustments)													
87 Medicare	35.6%	34.9%	32.7%	32.7%	34.0%	36.9%	36.8%	34.1%	34.6%	35.5%	35.7%	35.4%	32.9%
88 Managed Care	8.3%	9.8%	9.8%	9.6%	9.4%	7.0%	7.5%	7.5%	7.5%	7.4%	6.0%	4.6%	5.0%
89 Skilled Mix	43.9%	44.7%	42.5%	42.3%	43.4%	43.9%	44.3%	41.6%	42.1%	42.9%	41.7%	40.0%	37.9%
90 Private/other	9.6%	9.3%	10.1%	9.9%	9.7%	9.9%	9.4%	9.8%	9.9%	9.8%	10.3%	11.1%	12.7%
91 Quality Mix	53.5%	54.0%	52.6%	52.2%	53.1%	53.8%	53.7%	51.4%	52.0%	52.7%	52.0%	51.1%	50.6%
92 Medicaid	46.5%	46.0%	47.4%	47.8%	46.9%	46.2%	46.3%	48.6%	48.0%	47.3%	48.0%	48.9%	49.4%
93 <b>Skilled nursing and assisted living facility - percent of revenue by payor source</b> (includes prior period settlement adjustments)													
94 Medicare	35.4%	34.8%	32.6%	32.6%	33.8%	36.8%	36.6%	34.0%	34.4%	35.4%	35.5%	34.1%	32.5%
95 Managed Care	8.3%	9.7%	9.7%	9.5%	9.3%	7.0%	7.5%	7.5%	7.5%	7.4%	6.0%	4.5%	4.9%
96 Skilled Mix	43.7%	44.5%	42.3%	42.1%	43.1%	43.8%	44.1%	41.5%	41.9%	42.8%	41.5%	38.6%	37.4%
97 Private/other	9.9%	9.6%	10.5%	10.2%	10.1%	10.0%	9.6%	10.0%	10.2%	10.0%	10.5%	10.8%	13.2%
98 Quality Mix	53.6%	54.1%	52.8%	52.3%	53.2%	53.8%	53.7%	51.5%	52.1%	52.8%	52.0%	49.4%	50.6%
99 Medicaid	46.4%	45.9%	47.2%	47.7%	46.8%	46.2%	46.3%	48.5%	47.9%	47.2%	48.0%	50.6%	49.4%
100 <b>SKILLED NURSING FACILITY AVERAGE REVENUE PER RESIDENT DAY BY PAYOR SOURCE (US \$)</b> (includes prior period settlement adjustments)													
101 Medicare Part A only	410.35	417.75	419.53	437.02	420.76	387.66	389.09	392.38	411.88	395.52	372.07	345.29	327.44
102 Medicare (Parts A & B)	447.38	453.23	460.98	479.11	459.64	422.78	422.90	433.29	449.45	432.30	406.50	376.37	358.72
103 Managed Care	336.10	358.94	362.95	370.87	357.64	312.43	335.54	325.10	333.94	327.11	308.42	287.22	289.85
104 Private/other	208.59	200.56	206.02	207.17	205.61	206.69	195.11	200.24	197.34	199.68	190.56	175.60	168.15
105 Medicaid	165.48	166.52	169.16	173.26	168.64	157.90	158.37	162.66	164.18	160.95	154.79	157.46	140.16
106 Weighted average	231.87	234.27	234.18	239.26	234.90	222.13	222.18	222.49	226.27	223.39	211.98	204.52	185.93
107 <b>SKILLED NURSING FACILITY AVERAGE REVENUE PER RESIDENT DAY BY PAYOR SOURCE (US \$)</b> (excludes prior period settlement adjustments)													
108 Medicare Part A only	410.88	417.75	419.53	437.02	420.89	387.80	389.09	392.38	411.58	395.48	372.41	347.97	327.46
109 Medicare (Parts A & B)	447.90	453.23	460.98	479.11	459.78	422.92	422.90	433.29	449.16	432.26	406.84	379.05	358.74
110 Managed Care	336.10	358.94	362.95	370.87	357.64	312.43	335.54	325.10	333.94	327.11	308.42	287.22	289.85
111 Private/other	208.59	200.56	206.02	207.17	205.61	206.69	195.11	200.24	197.34	199.68	190.56	175.60	168.15
112 Medicaid	165.36	166.60	169.28	172.86	168.55	157.63	158.39	162.64	164.27	160.90	154.07	148.02	138.89
113 Weighted average	231.88	234.32	234.26	239.00	234.87	221.98	222.20	222.48	226.27	223.35	211.57	198.81	185.09

Note: Managed Care refers to Health Maintenance Organization and Commercial Insurance, each of which provide a form of health coverage in the U.S.

0.04754

**EXTENDICARE REIT**  
**Facility Location and Resident Capacity**  
at December 31, 2008

By State/Province	Nursing Homes						Assisted Living and Retirement Homes						Rehab Hospital / Chronic Care Unit		Total		
	Owned		Leased		Managed		Owned		Leased		Managed		# of Homes	Resident Capacity	# of Homes	Resident Capacity	
	# of Homes	Resident Capacity	# of Homes	Resident Capacity	# of Homes	Resident Capacity	# of Homes	Resident Capacity	# of Homes	Resident Capacity	# of Homes	Resident Capacity					
<b>United States</b>							(note 1)		(note 1)		(note 1)		(note 2)				
1 Pennsylvania	21	2,625	-	-	7	813	-	-	-	-	5	155	-	-	33	3,593	
2 Michigan	30	3,319	-	-	-	-	-	-	-	-	1	51	1	24	32	3,394	
3 Ohio	20	2,083	5	507	-	-	-	30	-	-	-	-	-	-	25	2,620	
4 Wisconsin	26	2,199	-	-	-	-	2	135	-	-	-	-	-	-	28	2,334	
5 Kentucky	21	1,822	-	-	-	-	-	-	-	-	-	-	-	-	21	1,822	
6 Washington	13	1,373	2	257	-	-	1	47	-	-	-	-	-	-	16	1,677	
7 Indiana	16	1,556	-	-	-	-	-	35	-	-	-	-	-	-	16	1,591	
8 Minnesota	8	1,000	-	-	-	-	-	-	-	-	-	-	-	-	8	1,000	
9 Idaho	2	194	-	-	-	-	-	-	-	-	-	-	-	-	2	194	
10 Oregon	2	169	-	-	-	-	-	-	-	-	-	-	-	-	2	169	
11 Delaware	1	120	-	-	-	-	-	-	-	-	-	-	-	-	1	120	
12 West Virginia	1	120	-	-	-	-	-	-	-	-	-	-	-	-	1	120	
<b>Total United States</b>	<b>161</b>	<b>16,580</b>	<b>7</b>	<b>764</b>	<b>7</b>	<b>813</b>	<b>3</b>	<b>247</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>206</b>	<b>1</b>	<b>24</b>	<b>185</b>	<b>18,634</b>	
<b>Canada</b>																	
1 Ontario	25	3,834	9	1,155	19	2,922	-	-	-	76	1	417	1	120	55	8,524	
2 Alberta	13	1,137	-	-	1	102	-	-	-	-	-	-	-	-	14	1,239	
3 Saskatchewan	5	654	-	-	-	-	-	-	-	-	-	-	-	-	5	654	
4 Manitoba	5	762	-	-	-	-	-	-	-	-	2	215	-	-	7	977	
<b>Total Canada</b>	<b>48</b>	<b>6,387</b>	<b>9</b>	<b>1,155</b>	<b>20</b>	<b>3,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>3</b>	<b>632</b>	<b>1</b>	<b>120</b>	<b>81</b>	<b>11,394</b>	
<b>TOTAL</b>	<b>209</b>	<b>22,967</b>	<b>16</b>	<b>1,919</b>	<b>27</b>	<b>3,837</b>	<b>3</b>	<b>247</b>	<b>-</b>	<b>76</b>	<b>9</b>	<b>838</b>	<b>2</b>	<b>144</b>	<b>266</b>	<b>30,028</b>	
<b>Total homes operated:</b>					<b>Nursing Homes</b>		<b>Assisted Living and Retirement</b>					<b>Rehab Hospital / Chronic Care Unit</b>		<b>Total</b>			
					<b># of Homes</b>	<b>Resident Capacity</b>						<b># of Homes</b>	<b>Resident Capacity</b>	<b># of Homes</b>	<b>Resident Capacity</b>		
<b>United States</b>					175	18,157						9	453	1	24	185	18,634
<b>Canada</b>					77	10,566						3	708	1	120	81	11,394
<b>TOTAL</b>					<b>252</b>	<b>28,723</b>						<b>12</b>	<b>1,161</b>	<b>2</b>	<b>144</b>	<b>266</b>	<b>30,028</b>

- Notes:**
- (1) Some of the assisted living and retirement units are in wings attached to nursing homes. In this case, the facility is only counted once in the "Nursing Homes - # of homes" column, and the related nursing home beds and assisted living units are reported separately in the related "Resident Capacity" columns.
  - (2) EHSI owns an inpatient rehabilitation hospital in Michigan, USA; ECI manages a chronic care hospital unit in Ontario, CA.