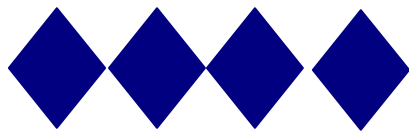


# SUPPLEMENTAL INFORMATION



**Twelve Months Ended December 31, 2010**  
(unaudited)

*...helping people  
live better*

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## Extencicare Real Estate Investment Trust

### Non-GAAP Measures

Extencicare 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”, “continuing 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, income taxes, depreciation, amortization, and accretion. In this calculation, the REIT has excluded the line items “loss (gain) on derivative financial instruments and foreign exchange” and “loss (gain) from restructuring charges, asset impairment, disposals, financing and other items”. These line items are reported separately because they relate to the change in the fair value of, or gains and losses on termination of, interest rate agreements and foreign currency contracts, as well as gains or losses on the disposal or impairment of assets, provisions for restructuring charges, foreign exchange gains or losses on capital items, and the write-off of unamortized financing costs on early retirement of debt. These items are reported separately and excluded from EBITDA, because they are transitional in nature and would otherwise distort historical trends. Management believes that certain lenders, investors and analysts use EBITDA to measure a company’s ability to service debt and meet other payment obligations, and as a common valuation measurement in the long-term care industry. For example, certain of EHSI’s debt covenants 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 2006 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 operations and related diluted earnings per unit, the results of which are referred to as either “continuing health care operations before undernoted” or “continuing operations before undernoted”, as applicable. 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.

Distributable Income, or DI, is defined by Extencicare REIT’s Deed of Trust as net earnings (loss) of the 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.

2/28/2011

**EXTENDICARE REIT**

**Quarterly Earnings (Loss) (note)**

(unaudited)

(thousands of Canadian dollars except per unit amounts)

	2010					2009					2008	2007	2006
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total
<b>Revenue</b>						(revised)					(revised)	(revised)	(revised)
Nursing centers													
United States	334,580	336,038	339,799	339,790	1,350,207	395,327	370,268	351,654	339,639	1,456,888	1,322,688	1,099,578	1,059,693
Canada	118,584	122,959	123,046	131,021	495,610	114,384	118,860	121,440	124,441	479,125	446,131	418,658	399,222
Assisted living centers - U.S.	1,543	1,558	1,594	1,690	6,385	1,782	1,722	1,633	1,472	6,609	6,271	3,640	3,388
Home health care - Canada <sup>1</sup>	39,529	38,362	38,594	40,692	157,177	36,004	38,819	39,729	40,544	155,096	148,928	141,797	141,104
Health technology services	4,146	4,139	4,365	4,555	17,205	5,451	4,794	4,164	4,444	18,853	14,328	13,861	12,361
Outpatient therapy - U.S.	2,936	3,758	2,610	3,299	12,603	3,731	3,505	3,312	3,357	13,905	12,956	12,259	12,384
Other	7,516	7,557	7,492	7,351	29,916	8,962	8,631	6,394	7,104	31,091	31,567	33,174	30,808
	508,834	514,371	517,500	528,398	2,069,103	565,641	546,599	528,326	521,001	2,161,567	1,982,869	1,722,967	1,658,960
<b>Operating costs</b>	429,296	424,567	444,631	438,386	1,736,880	479,070	452,589	437,556	441,763	1,810,978	1,698,277	1,447,650	1,395,758
<b>Administrative costs</b>	16,979	17,505	18,649	19,491	72,624	19,919	18,917	17,040	16,942	72,818	71,441	61,882	67,916
<b>Lease costs</b>	2,808	2,612	2,825	2,771	11,016	3,094	3,097	2,996	2,914	12,101	11,324	10,361	11,646
	59,751	69,687	51,395	67,750	248,583	63,558	71,996	70,734	59,382	265,670	201,827	203,074	183,640
<b>EBITDA</b> <sup>2</sup>	15,694	15,785	16,201	16,301	63,981	17,359	16,350	16,179	16,144	66,032	58,290	47,514	45,933
Depreciation and amortization	400	393	393	386	1,572	437	416	331	385	1,569	1,470	1,269	1,209
Accretion expense	23,194	22,800	22,916	23,192	92,102	25,837	24,479	23,525	23,218	97,059	92,587	77,024	64,429
Interest expense	(928)	(2,074)	(550)	(4,235)	(1,142)	(1,142)	(709)	(1,279)	(1,114)	(4,244)	(6,318)	(8,354)	(6,948)
Interest revenue	21,391	32,783	12,435	28,554	95,163	21,067	31,460	31,978	20,749	105,254	55,798	85,621	79,017
<b>Earnings before undernoted</b>	3,220	(4,505)	3,168	1,397	3,280	(4,950)	12,424	10,373	2,442	20,289	(25,344)	18,018	(66,750)
Gain (loss) on derivative financial instruments and foreign exchange	-	(2,580)	24	1,402	(1,154)	257	(594)	8	548	219	(855)	2,192	(55,181)
Gain (loss) from asset impairment, disposals, financing and other items	24,611	25,698	15,627	31,353	97,289	16,374	43,290	42,359	23,739	125,762	29,599	105,831	(42,914)
<b>Earnings (loss) from continuing operations before income taxes</b>	11,406	11,244	7,251	1,822	31,723	10,953	14,958	12,901	(31,994)	6,818	26,249	23,396	1,828
<b>Income tax expense (recovery)</b>	(1,951)	476	2,641	11,590	12,756	1,603	(1,206)	685	37,703	38,785	(3,074)	10,396	(10,136)
Current	-	-	-	-	-	-	-	-	-	-	-	-	15,570
Future	9,455	11,720	9,892	13,412	44,479	12,556	13,752	13,586	5,709	45,603	23,175	33,792	7,262
Taxes assoc. with reorganization	15,156	13,978	5,735	17,941	52,810	3,818	29,538	28,773	18,030	80,159	6,424	72,039	(50,176)
<b>Earnings (loss) from continuing health care operations</b>	-	-	-	-	-	-	-	-	-	-	-	1,541	5,220
Share of equity accounted earnings	15,156	13,978	5,735	17,941	52,810	3,818	29,538	28,773	18,030	80,159	6,424	73,580	(44,956)
<b>Earnings (loss) from continuing operations, net of income taxes</b>	410	(974)	(322)	(237)	(1,123)	(161)	706	(694)	(2,302)	(2,451)	6,964	(3,199)	9,228
<b>Net earnings (loss)</b>	15,566	13,004	5,413	17,704	51,687	3,657	30,244	28,079	15,728	77,708	13,388	70,381	(35,728)
Preferred share dividends	-	-	-	-	-	-	-	-	-	-	-	-	648
<b>Earnings (loss) attributable to common equity</b>	15,566	13,004	5,413	17,704	51,687	3,657	30,244	28,079	15,728	77,708	13,388	70,381	(36,376)
<b>Components of Diluted Earnings (Loss) per Unit</b>													
Health care operations before undernoted <sup>3</sup>	0.14	0.26	0.02	0.17	0.59	0.12	0.25	0.24	0.20	0.81	0.41	0.82	0.80
Gain (loss) on derivative financial instruments and foreign exchange	0.05	(0.07)	0.05	0.03	0.06	(0.07)	0.15	0.12	0.04	0.24	(0.31)	0.18	(0.82)
Gain (loss) from asset impairment, disposals, financing and other items	-	(0.02)	0.00	0.02	0.00	-	-	-	-	-	(0.01)	0.02	(0.49)
Taxes assoc. with reorganization	-	-	-	-	-	-	-	-	-	-	-	-	(0.23)
Share of equity accounted earnings	0.19	0.17	0.07	0.22	0.65	0.05	0.40	0.36	0.24	1.05	0.09	1.04	(0.67)
Earnings (loss) from discontinued operations, net of income taxes	0.01	(0.01)	(0.01)	(0.01)	(0.02)	-	0.01	(0.01)	(0.03)	(0.03)	0.09	(0.04)	0.14
	0.20	0.16	0.06	0.21	0.63	0.05	0.41	0.35	0.21	1.02	0.18	1.00	(0.53)
<sup>1</sup> ParaMed home health care hours (000's)	1,080	1,090	1,096	1,136	4,402	1,090	1,143	1,151	1,170	4,554	4,495	4,571	4,776
<sup>2</sup> EBITDA as a % of revenue	11.7%	13.5%	9.9%	12.8%	12.0%	11.2%	13.2%	13.4%	11.4%	12.3%	10.2%	11.8%	11.1%
<sup>3</sup> Earnings from continuing health care prior to gain (loss) on derivative financial instruments and foreign exchange, asset impairment, disposals and other items	11,201	21,056	1,797	13,933	47,987	8,892	18,230	17,929	14,114	59,165	29,345	57,667	55,217

Note: Certain comparative figures have been revised from those originally reported to conform to the presentation in 2010, mainly for the reclassification of non-reimbursable bad debts from operating expense to a contra-revenue account.

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

(thousands of dollars)

	2010					2009					2008	2007	2006	
	1	2	4	6	7	8	9	11	13	14				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total				Total
<b>9 Revenue</b>														
10 U.S. operations in (US\$)	335,055	340,942	339,887	349,483	1,365,367	331,321	331,243	333,027	334,206	1,329,797	1,291,867	1,072,982	979,611	
11 Translation to Canadian dollars	13,401	9,447	13,317	4,660	40,825	81,372	55,247	32,732	19,479	188,830	85,264	80,260	131,366	
12 U.S. operations (CS)	348,456	350,389	353,204	354,143	1,406,192	412,693	386,490	365,759	353,685	1,518,627	1,377,131	1,153,242	1,110,977	
13 Canadian operations	160,378	163,982	164,296	174,255	662,911	152,948	160,109	162,567	167,316	642,940	605,738	569,725	547,983	
14	<u>508,834</u>	<u>514,371</u>	<u>517,500</u>	<u>528,398</u>	<u>2,069,103</u>	<u>565,641</u>	<u>546,599</u>	<u>528,326</u>	<u>521,001</u>	<u>2,161,567</u>	<u>1,982,869</u>	<u>1,722,967</u>	<u>1,658,960</u>	
15														
16 <b>Net Operating Income (revenue less operating expenses)</b>														
17 U.S. operations in (US\$)	55,207	63,547	46,803	66,964	232,521	54,305	61,547	59,632	53,447	228,931	188,502	182,914	165,586	
18 Translation to Canadian dollars	2,206	1,807	1,880	1,060	6,953	13,336	10,553	5,962	2,655	32,506	12,442	13,681	22,205	
19 U.S. operations (CS)	57,413	65,354	48,683	68,024	239,474	67,641	72,100	65,594	56,102	261,437	200,944	196,595	187,791	
20 Canadian operations	22,125	24,450	24,186	21,988	92,749	18,930	21,910	25,176	23,136	89,152	83,648	78,722	75,411	
21	<u>79,538</u>	<u>89,804</u>	<u>72,869</u>	<u>90,012</u>	<u>332,223</u>	<u>86,571</u>	<u>94,010</u>	<u>90,770</u>	<u>79,238</u>	<u>350,589</u>	<u>284,592</u>	<u>275,317</u>	<u>263,202</u>	
22														
23 <b>EBITDA</b>														
24 U.S. operations in (US\$)	42,166	49,996	32,328	51,775	176,265	40,885	48,213	46,519	40,087	175,704	138,236	139,043	121,652	
25 Translation to Canadian dollars	1,685	1,429	1,318	839	5,271	10,041	8,332	4,696	1,879	24,948	9,126	10,400	16,315	
26 U.S. operations (CS)	43,851	51,425	33,646	52,614	181,536	50,926	56,545	51,215	41,966	200,652	147,362	149,443	137,967	
27 Canadian operations	15,900	18,262	17,749	15,136	67,047	12,632	15,451	19,519	17,416	65,018	54,465	53,631	45,673	
28	<u>59,751</u>	<u>69,687</u>	<u>51,395</u>	<u>67,750</u>	<u>248,583</u>	<u>63,558</u>	<u>71,996</u>	<u>70,734</u>	<u>59,382</u>	<u>265,670</u>	<u>201,827</u>	<u>203,074</u>	<u>183,640</u>	
29														
30 <b>Health Care Earnings from Continuing Operations - before separately reported gains/losses (note 2)</b>														
31 U.S. operations in (US\$)	9,435	14,728	(1,256)	15,430	38,337	7,300	13,790	11,278	10,125	42,493	19,608	42,571	39,894	
32 Translation to Canadian dollars	374	441	1	330	1,146	1,800	2,549	1,157	522	6,028	1,299	3,285	5,019	
33 U.S. operations (CS)	9,809	15,169	(1,255)	15,760	39,483	9,100	16,339	12,435	10,647	48,521	20,907	45,856	44,913	
34 Canadian operations	1,392	5,887	3,052	(1,827)	8,504	(208)	1,891	5,494	3,467	10,644	8,438	11,811	10,304	
35	<u>11,201</u>	<u>21,056</u>	<u>1,797</u>	<u>13,933</u>	<u>47,987</u>	<u>8,892</u>	<u>18,230</u>	<u>17,929</u>	<u>14,114</u>	<u>59,165</u>	<u>29,345</u>	<u>57,667</u>	<u>55,217</u>	
36														
37 <b>Health Care Earnings (Loss) from Continuing Operation:</b>														
38 U.S. operations in (US\$)	11,097	11,780	315	18,439	41,631	5,053	20,759	17,141	11,866	54,819	(1,732)	49,755	(6,789)	
39 Translation to Canadian dollars	424	332	57	354	1,167	1,268	4,062	1,852	625	7,807	(1,385)	4,345	(1,052)	
40 U.S. operations (CS)	11,521	12,112	372	18,793	42,798	6,321	24,821	18,993	12,491	62,626	(3,117)	54,100	(7,841)	
41 Canadian operations	3,635	1,866	5,363	(852)	10,012	(2,503)	4,717	9,780	5,539	17,533	9,541	17,939	(42,335)	
42	<u>15,156</u>	<u>13,978</u>	<u>5,735</u>	<u>17,941</u>	<u>52,810</u>	<u>3,818</u>	<u>29,538</u>	<u>28,773</u>	<u>18,030</u>	<u>80,159</u>	<u>6,424</u>	<u>72,039</u>	<u>(50,176)</u>	
43														
44 <b>Health Care Net Earnings (Loss)</b>														
45 U.S. operations in (US\$)	11,491	10,810	4	18,222	40,527	4,910	21,391	16,506	9,597	52,404	4,418	47,037	1,265	
46 Translation to Canadian dollars	440	328	46	334	1,148	1,250	4,136	1,793	592	7,771	(571)	3,864	122	
47 U.S. operations (CS)	11,931	11,138	50	18,556	41,675	6,160	25,527	18,299	10,189	60,175	3,847	50,901	1,387	
48 Canadian operations	3,635	1,866	5,363	(852)	10,012	(2,503)	4,717	9,780	5,539	17,533	9,541	17,939	(42,335)	
49	<u>15,566</u>	<u>13,004</u>	<u>5,413</u>	<u>17,704</u>	<u>51,687</u>	<u>3,657</u>	<u>30,244</u>	<u>28,079</u>	<u>15,728</u>	<u>77,708</u>	<u>13,388</u>	<u>68,840</u>	<u>(40,948)</u>	
50														
51 <b>Average US/Cdn dollar exchange</b>	1.0400	1.0277	1.0391	1.0130	1.0299	1.2456	1.1672	1.0991	1.0586	1.1420	1.0660	1.0748	1.1341	

Notes:

- Certain comparative figures have been revised to conform to the presentation in 2010
- Health care net earnings before gain (loss) on derivative financial instruments and foreign exchange, net of tax, and gain (loss) from asset impairment, disposals, financing and other items, net of tax
- 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, financing, impairment or 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.

**Extencare Real Estate Investment Trust**  
**Discontinued Operations**  
(unaudited)

The following is a summary of results of all discontinued operations with prior periods revised accordingly.

<i>(thousands of Canadian dollars, unless otherwise noted)</i>	QTD Dec		YTD Dec	
	2010	2009	2010	2009
<b>Revenue</b>				
Nursing centers	3,664	20,138	40,860	93,813
Assisted living centers	-	-	-	-
	3,664	20,138	40,860	93,813
<b>Operating costs</b>	3,977	17,653	38,830	85,361
<b>General and administrative</b>	-	-	-	-
<b>Lease costs</b>	-	546	584	2,252
	(313)	1,939	1,446	6,200
<b>Earnings before undernoted</b>				
Depreciation, amortization and accretion expense	4	37	44	1,456
Interest expense (income)	-	(2)	(10)	6
	(317)	1,904	1,412	4,738
<b>Earnings before undernoted</b>				
Gain (loss) from asset impairment, disposals and other item:				
Impairment charges on assets held for sale	-	(3,982)		(5,752)
Gain (loss) on sale of centers and other	-	-	(2,081)	1,426
Loss on termination of leases	-	-	(1,013)	-
	-	(3,982)	(3,094)	(4,326)
<b>Earnings from discontinued operations before income taxes</b>	(317)	(2,078)	(1,682)	412
<b>Income tax expense</b>	(80)	224	(559)	2,863
<b>Earnings (loss) from discontinued operations</b>	(237)	(2,302)	(1,123)	(2,451)
<b>Basic and diluted earnings (loss) per unit (in dollars)</b>	(0.01)	(0.03)	(0.02)	(0.03)

2/28/2011

**Extendicare Real Estate Investment Trust**  
(unaudited)

**Reconciliation of EBITDA to AFFO**

<i>(thousands of Canadian dollars, unless otherwise noted)</i>	2010					2009					2008
	Q1	Q2	Q3	Q4	YTD Dec	Q1	Q2	Q3	Q4	Total	Total
<b>EBITDA from continuing health care operations</b>	59,751	69,687	51,395	67,750	<b>248,583</b>	63,558	71,996	70,734	59,382	<b>265,670</b>	<b>201,827</b>
Depreciation for FFEC	(5,453)	(5,580)	(5,706)	(5,698)	<b>(22,437)</b>	(6,066)	(5,983)	(5,767)	(5,591)	<b>(23,407)</b>	<b>(19,440)</b>
Interest expense, net	(22,266)	(20,726)	(22,366)	(22,509)	<b>(87,867)</b>	(24,695)	(23,770)	(22,246)	(22,104)	<b>(92,815)</b>	<b>(86,269)</b>
Pre-tax adjusted earnings from continuing health care operations	32,032	43,381	23,323	39,543	<b>138,279</b>	32,797	42,243	42,721	31,687	<b>149,448</b>	<b>96,118</b>
Current income taxes	11,406	11,244	7,251	1,822	<b>31,723</b>	10,953	14,958	12,901	(31,994)	<b>6,818</b>	<b>26,249</b>
Deduct current income tax (expense) recovery on unusual items	-	-	-	(220)	<b>(220)</b>	510	490	(60)	(305)	<b>635</b>	<b>(1,473)</b>
	11,406	11,244	7,251	1,602	<b>31,503</b>	11,463	15,448	12,841	(32,299)	<b>7,453</b>	<b>24,776</b>
Current income taxes as a % of pre-tax adj. earnings	35.6%	25.9%	31.1%	4.1%	22.8%	35.0%	36.6%	30.1%	-101.9%	5.0%	25.8%
<b>FFO (continuing operations)</b>	20,626	32,137	16,072	37,941	<b>106,776</b>	21,334	26,795	29,880	63,986	<b>141,995</b>	<b>71,342</b>
Amortization of financing costs	2,169	2,184	2,228	2,156	<b>8,737</b>	2,524	2,841	2,165	2,145	<b>9,675</b>	<b>7,757</b>
Principal portion of government capital funding payments	611	615	611	609	<b>2,446</b>	576	574	576	577	<b>2,303</b>	<b>2,173</b>
<b>DI (continuing operations)</b>	23,406	34,936	18,911	40,706	<b>117,959</b>	24,434	30,210	32,621	66,708	<b>153,973</b>	<b>81,272</b>
Facility maintenance capital expenditures	867	407	(2,833)	(5,966)	<b>(7,525)</b>	(1,258)	(1,934)	(2,642)	(6,779)	<b>(12,613)</b>	<b>(8,910)</b>
<b>AFFO (continuing operations)</b>	24,273	35,343	16,078	34,740	<b>110,434</b>	23,176	28,276	29,979	59,929	<b>141,360</b>	<b>72,362</b>
AFFO (discontinued operations)	429	302	(424)	(178)	<b>129</b>	1,201	1,161	719	1,696	<b>4,777</b>	<b>6,432</b>
<b>AFFO</b>	24,702	35,645	15,654	34,562	<b>110,563</b>	24,377	29,437	30,698	61,625	<b>146,137</b>	<b>78,794</b>
<b>Per Basic Unit (\$)</b>											
FFO (continuing operations)	0.265	0.393	0.191	0.461	<b>1.310</b>	0.293	0.367	0.409	0.876	<b>1.945</b>	<b>0.985</b>
AFFO (continuing operations)	0.312	0.431	0.191	0.420	<b>1.354</b>	0.318	0.388	0.410	0.820	<b>1.936</b>	<b>0.999</b>
AFFO	0.317	0.435	0.185	0.419	<b>1.356</b>	0.334	0.404	0.420	0.844	<b>2.002</b>	<b>1.087</b>
<b>Per Diluted Unit (\$)</b>											
FFO (continuing operations)	0.255	0.365	0.194	0.424	<b>1.238</b>	0.278	0.340	0.376	0.768	<b>1.762</b>	<b>0.965</b>
AFFO (continuing operations)	0.286	0.390	0.186	0.381	<b>1.243</b>	0.290	0.349	0.368	0.713	<b>1.720</b>	<b>0.948</b>
AFFO	0.291	0.393	0.181	0.379	<b>1.244</b>	0.304	0.362	0.377	0.732	<b>1.775</b>	<b>1.026</b>
Basic weighted average number of units (thousands)	77,839	82,576	82,742	82,906	<b>81,533</b>	72,911	72,914	73,039	73,132	<b>73,000</b>	<b>72,460</b>
Diluted weighted average number of units (thousands)	91,652	96,389	96,555	96,720	<b>95,346</b>	86,736	86,727	86,852	86,945	<b>86,817</b>	<b>82,558</b>

**Capital Additions**

<i>(thousands of Canadian dollars)</i>	2010					2009					2008
	Q1	Q2	Q3	Q4	YTD Dec	Q1	Q2	Q3	Q4	Total	Total
Components of REIT operations											
Growth expenditures	11,616	6,901	14,057	7,417	<b>39,991</b>	13,271	12,518	12,488	17,297	<b>55,574</b>	<b>39,184</b>
Facility maintenance	4,586	5,173	8,539	11,664	<b>29,962</b>	7,324	7,917	8,409	12,370	<b>36,020</b>	<b>28,350</b>
Consolidated reported	16,202	12,074	22,596	19,081	<b>69,953</b>	20,595	20,435	20,897	29,667	<b>91,594</b>	<b>67,534</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.

**Extendicare Real Estate Investment Trust**

(unaudited)

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

<i>(thousands of Canadian dollars unless otherwise noted)</i>	Q4 2010			YTD Dec 2010		
	Contin'g	Discont'd	Total	Contin'g	Discont'd	Total
<b>Net earnings</b>	<b>17,941</b>	<b>(237)</b>	<b>17,704</b>	<b>52,810</b>	<b>(1,123)</b>	<b>51,687</b>
<b>Adjustments:</b>						
Depreciation and amortization expense	16,301	-	16,301	63,981	-	63,981
Deduct depreciation for FFEC	(5,698)	-	(5,698)	(22,437)	-	(22,437)
Accretion expense	386	3	389	1,572	43	1,615
Loss (gain) on derivative financial instruments and foreign exchange	(1,397)	-	(1,397)	(3,280)	-	(3,280)
Loss (gain) from asset impairment, disposals, financing and other items	(1,402)	-	(1,402)	1,154	3,094	4,248
Current tax expense (recovery) on loss (gain) from derivatives, asset impairment, disposals and other items	220	172	392	220	4,370	4,590
Future income taxes	11,590	(116)	11,474	12,756	(6,255)	6,501
<b>Funds from operations, before working capital changes</b>	<b>37,941</b>	<b>(178)</b>	<b>37,763</b>	<b>106,776</b>	<b>129</b>	<b>106,905</b>
Amortization of deferred financing costs	2,156	-	2,156	8,737	-	8,737
Principal portion of government capital funding payments	609	-	609	2,446	-	2,446
<b>Distributable income</b>	<b>40,706</b>	<b>(178)</b>	<b>40,528</b>	<b>117,959</b>	<b>129</b>	<b>118,088</b>
Additional maintenance capital expenditures <sup>(2)</sup>	(5,966)	-	(5,966)	(7,525)	-	(7,525)
<b>Adjusted funds from operations</b>	<b>34,740</b>	<b>(178)</b>	<b>34,562</b>	<b>110,434</b>	<b>129</b>	<b>110,563</b>
<b>Per Unit (\$)</b>						
FFO - basic	0.461	(0.003)	0.458	1.310	0.001	1.311
FFO - diluted	0.424	(0.002)	0.422	1.238	0.001	1.239
DI - basic	0.494	(0.003)	0.491	1.447	0.001	1.448
DI - diluted	0.444	(0.002)	0.442	1.322	0.001	1.323
AFFO - basic	0.420	(0.001)	0.419	1.354	0.002	1.356
AFFO - diluted	0.381	(0.002)	0.379	1.243	0.001	1.244
<b>Distributions declared</b>			17,416			68,817
<b>Distributions declared per unit</b>			0.2100			0.8400
<b>Basic weighted average number of units</b> (thousands)			<b>82,906</b>			<b>81,533</b>
<b>Diluted weighted average number of units</b> (thousands)			<b>96,720</b>			<b>95,346</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>	Q1-10	Q2-10	Q3-10	Q4-10	YTD Dec-10
<b>Cash provided by operating activities</b>	<b>26,564</b>	<b>42,355</b>	<b>45,597</b>	<b>34,841</b>	<b>149,357</b>
<b>Add (Deduct):</b>					
Net change in operating assets and liabilities	4,526	(6,727)	(14,993)	10,306	(6,888)
Current tax expense (recovery) on loss (gain) from derivatives, asset impairment, disposals, financing and other items	-	(12)	4,210	392	4,590
Net provisions and payments for self-insured liabilities	(2,368)	4,594	(11,128)	445	(8,457)
Depreciation for FFEC	(5,453)	(5,580)	(5,706)	(5,698)	(22,437)
Other	(45)	(7)	(104)	(367)	(523)
Principal portion of government capital funding payments	611	615	611	609	2,446
<b>Distributable income</b>	<b>23,835</b>	<b>35,238</b>	<b>18,487</b>	<b>40,528</b>	<b>118,088</b>
Additional maintenance capital expenditures	867	407	(2,833)	(5,966)	(7,525)
<b>Adjusted funds from operations</b>	<b>24,702</b>	<b>35,645</b>	<b>15,654</b>	<b>34,562</b>	<b>110,563</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.
3. Revised from originally reported amounts, for discontinued operations identified in 2009. No new discontinued operations identified in 2010.

**Extendicare Real Estate Investment Trust**

(unaudited)

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

<i>(thousands of Canadian dollars unless otherwise noted)</i>	Q4 2009			YTD December 2009		
	Contin'g	Discont'd	Total	Contin'g	Discont'd	Total
<b>Net earnings</b>	<b>18,030</b>	<b>(2,302)</b>	<b>15,728</b>	<b>80,159</b>	<b>(2,451)</b>	<b>77,708</b>
<b>Adjustments:</b>						
Depreciation and amortization expense	16,144	19	16,163	66,032	1,377	67,409
Deduct depreciation for FFEC	(5,591)	-	(5,591)	(23,407)	-	(23,407)
Accretion expense	385	17	402	1,569	78	1,647
Loss (gain) on derivative financial instruments and foreign exchange	(2,442)	-	(2,442)	(20,289)	-	(20,289)
Loss (gain) from asset impairment, disposals, financing and other items	(548)	3,982	3,434	(219)	4,326	4,107
Current tax expense (recovery) on loss (gain) from derivatives, asset impairment, disposals and other items	305	-	305	(635)	2,250	1,615
Future income taxes	37,703	(20)	37,683	38,785	(803)	37,982
<b>Funds from operations, before working capital changes</b>	<b>63,986</b>	<b>1,696</b>	<b>65,682</b>	<b>141,995</b>	<b>4,777</b>	<b>146,772</b>
Amortization of deferred financing costs	2,145	-	2,145	9,675	-	9,675
Principal portion of government capital funding payments	577	-	577	2,303	-	2,303
<b>Distributable income</b>	<b>66,708</b>	<b>1,696</b>	<b>68,404</b>	<b>153,973</b>	<b>4,777</b>	<b>158,750</b>
Additional maintenance capital expenditures <sup>(2)</sup>	(6,779)	-	(6,779)	(12,613)	-	(12,613)
<b>Adjusted funds from operations</b>	<b>59,929</b>	<b>1,696</b>	<b>61,625</b>	<b>141,360</b>	<b>4,777</b>	<b>146,137</b>
<b>Per Unit (\$)</b>						
FFO - basic	0.876	0.023	0.899	1.945	0.066	2.011
FFO - diluted	0.768	0.020	0.788	1.762	0.055	1.817
DI - basic	0.913	0.024	0.937	2.109	0.066	2.175
DI - diluted	0.790	0.020	0.810	1.865	0.055	1.920
AFFO - basic	0.820	0.024	0.844	1.936	0.066	2.002
AFFO - diluted	0.713	0.019	0.732	1.720	0.055	1.775
<b>Distributions declared</b>			15,360			61,304
<b>Distributions declared per unit</b>			0.2100			0.8400
<b>Basic weighted average number of units</b> (thousands)			<b>73,132</b>			<b>73,000</b>
<b>Diluted weighted average number of units</b> (thousands)			<b>86,945</b>			<b>86,817</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>	Q1-09	Q2-09	Q3-09	Q4-09	YTD Dec-09
<b>Cash provided by operating activities</b>	<b>36,912</b>	<b>34,431</b>	<b>61,942</b>	<b>51,840</b>	<b>185,125</b>
<b>Add (Deduct):</b>					
Net change in operating assets and liabilities	(4,966)	2,972	(19,879)	17,897	(3,976)
Current tax expense (recovery) on loss (gain) from derivatives, asset impairment, disposals, financing and other items	1,740	(490)	60	305	1,615
Net provisions and payments for self-insured liabilities	(2,205)	(545)	(3,367)	3,376	(2,741)
Depreciation for FFEC	(6,066)	(5,983)	(5,767)	(5,591)	(23,407)
Other	(356)	412	(225)	-	(169)
Principal portion of government capital funding payments	576	574	576	577	2,303
<b>Distributable income</b>	<b>25,635</b>	<b>31,371</b>	<b>33,340</b>	<b>68,404</b>	<b>158,750</b>
Additional maintenance capital expenditures	(1,258)	(1,934)	(2,642)	(6,779)	(12,613)
<b>Adjusted funds from operations</b>	<b>24,377</b>	<b>29,437</b>	<b>30,698</b>	<b>61,625</b>	<b>146,137</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.
3. Revised from originally reported amounts, for discontinued operations identified in 2009. No new discontinued operations identified in 2010.

## 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>	Year ended December 2009 <sup>(3)</sup>			Year ended December 2008 <sup>(3)</sup>		
	Cont'n'g	Discont'd	Total	Cont'n'g	Discont'd	Total
<b>Net earnings (loss)</b>	<b>80,159</b>	<b>(2,451)</b>	<b>77,708</b>	<b>6,424</b>	<b>6,964</b>	<b>13,388</b>
<b>Adjustments:</b>						
Depreciation and amortization expense	66,032	1,377	67,409	58,290	2,935	61,225
Deduct depreciation for FFEC	(23,407)	-	(23,407)	(19,440)	-	(19,440)
Accretion expense	1,569	78	1,647	1,470	103	1,573
Loss (gain) on derivative financial instruments and foreign exchange	(20,289)	-	(20,289)	25,344	-	25,344
Loss (gain) from asset impairment, disposals, financing and other items	(219)	4,326	4,107	855	(7,579)	(6,724)
Current tax expense (recovery) on loss (gain) from derivatives, asset impairment, disposals and other items	(635)	2,250	1,615	1,473	1,224	2,697
Future income taxes	38,785	(803)	37,982	(3,074)	2,785	(289)
<b>Funds from operations, before working capital changes</b>	<b>141,995</b>	<b>4,777</b>	<b>146,772</b>	<b>71,342</b>	<b>6,432</b>	<b>77,774</b>
Amortization of financing costs	9,675	-	9,675	7,757	-	7,757
Principal portion of government capital funding payments	2,303	-	2,303	2,173	-	2,173
<b>Distributable income</b>	<b>153,973</b>	<b>4,777</b>	<b>158,750</b>	<b>81,272</b>	<b>6,432</b>	<b>87,704</b>
Additional maintenance capital expenditures <sup>(2)</sup>	(12,613)	-	(12,613)	(8,910)	-	(8,910)
<b>Adjusted funds from operations</b>	<b>141,360</b>	<b>4,777</b>	<b>146,137</b>	<b>72,362</b>	<b>6,432</b>	<b>78,794</b>
<b>Per Unit (\$)</b>						
FFO - basic	1.945	0.066	2.011	0.985	0.088	1.073
FFO - diluted	1.762	0.055	1.817	0.965	0.078	1.043
DI - basic	2.109	0.066	2.175	1.122	0.088	1.210
DI - diluted	1.865	0.055	1.920	1.056	0.078	1.134
AFFO - basic	1.936	0.066	2.002	0.999	0.088	1.087
AFFO - diluted	1.720	0.055	1.775	0.948	0.078	1.026
<b>Distributions declared</b>			61,304			80,575
<b>Distributions declared per unit</b>			0.8400			1.1100
<b>Basic weighted average number of units (thousands)</b>			<b>73,000</b>			<b>72,460</b>
<b>Diluted weighted average number of units (thousands)</b>			<b>86,817</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>	Q1-09	Q2-09	Q3-09	Q4-09	YTD Dec.	YTD Dec.
					2009	2008
<b>Cash provided by operating activities</b>	<b>36,912</b>	<b>34,431</b>	<b>61,942</b>	<b>51,840</b>	<b>185,125</b>	<b>105,142</b>
<b>Add (Deduct):</b>						
Net change in operating assets and liabilities	(4,966)	2,972	(19,879)	17,897	(3,976)	(9,816)
Current tax expense (recovery) on loss (gain) from derivatives, asset impairment, disposals, financing and other items	1,740	(490)	60	305	1,615	2,697
Net provisions and payments for self-insured liabilities	(2,205)	(545)	(3,367)	3,376	(2,741)	7,676
Depreciation for FFEC	(6,066)	(5,983)	(5,767)	(5,591)	(23,407)	(19,440)
Other	(356)	412	(225)	-	(169)	(728)
Principal portion of government capital funding payments	576	574	576	577	2,303	2,173
<b>Distributable income</b>	<b>25,635</b>	<b>31,371</b>	<b>33,340</b>	<b>68,404</b>	<b>158,750</b>	<b>87,704</b>
Additional maintenance capital expenditures	(1,258)	(1,934)	(2,642)	(6,779)	(12,613)	(8,910)
<b>Adjusted funds from operations</b>	<b>24,377</b>	<b>29,437</b>	<b>30,698</b>	<b>61,625</b>	<b>146,137</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.
3. Revised from originally reported amounts, for discontinued operations identified in 2009. No new discontinued operations identified in 2010.

**EXTENDICARE HEALTH SERVICES, INC.**

**OPERATING STATISTICS**

(unaudited)

	2010					2009					2008	2007	2006
	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	87.6%	86.9%	86.4%	86.1%	86.8%	89.3%	88.3%	88.8%	87.9%	88.6%			
9 Assisted living	78.4%	78.3%	76.6%	75.3%	77.1%	82.5%	82.6%	81.2%	79.4%	81.4%			
10 Combined	87.5%	86.7%	86.3%	86.0%	86.6%	89.2%	88.2%	88.7%	87.7%	88.5%			
<b>11 Skilled nursing facility - average daily census by payor source</b>													
12 Medicare	2,326	2,342	2,196	2,143	2,251	2,499	2,385	2,274	2,198	2,338			
13 Managed Care	814	802	781	786	796	805	797	811	816	807			
14 Skilled Mix	3,140	3,144	2,977	2,929	3,047	3,304	3,182	3,085	3,014	3,145			
15 Private/other	1,430	1,425	1,485	1,489	1,457	1,513	1,518	1,583	1,517	1,533			
16 Quality Mix	4,570	4,569	4,462	4,418	4,504	4,817	4,700	4,668	4,531	4,678			
17 Medicaid	9,557	9,440	9,467	9,433	9,474	9,538	9,490	9,566	9,590	9,546			
18 Total	14,127	14,009	13,929	13,851	13,978	14,355	14,190	14,234	14,121	14,224			
<b>19 Skilled nursing facility - percent of average daily census by payor source</b>													
20 Medicare	16.5%	16.7%	15.8%	15.5%	16.1%	17.4%	16.8%	16.0%	15.6%	16.4%			
21 Managed Care	5.8%	5.7%	5.6%	5.7%	5.7%	5.6%	5.6%	5.7%	5.8%	5.7%			
22 Skilled Mix	22.3%	22.4%	21.4%	21.2%	21.8%	23.0%	22.4%	21.7%	21.4%	22.1%			
23 Private/other	10.1%	10.2%	10.6%	10.7%	10.4%	10.6%	10.7%	11.1%	10.7%	10.8%			
24 Quality Mix	32.4%	32.6%	32.0%	31.9%	32.2%	33.6%	33.1%	32.8%	32.1%	32.9%			
25 Medicaid	67.6%	67.4%	68.0%	68.1%	67.8%	66.4%	66.9%	67.2%	67.9%	67.1%			
<b>26 Assisted living facility - average daily census by payor source</b>													
27 Private/other	155	154	151	150	152	160	160	158	159	159			
28 Medicaid	38	39	40	38	39	44	44	42	37	42			
29 Total	193	193	191	188	191	204	204	200	196	201			
<b>30 Assisted living facility - percent of average daily census by payor source</b>													
31 Private/other	80.4%	79.6%	78.9%	80.0%	79.7%	78.6%	78.5%	79.1%	81.0%	79.3%			
32 Medicaid	19.6%	20.4%	21.1%	20.0%	20.3%	21.4%	21.5%	20.9%	19.0%	20.7%			
<b>33 CENSUS - continuing operations(excludes managed facilities)</b>													
<b>34 Average occupancy</b>													
35 Nursing	87.1%	86.5%	86.1%	85.7%	86.3%	89.3%	88.3%	88.8%	87.5%	88.5%	88.4%	90.3%	91.8%
36 Assisted living	64.6%	65.2%	64.9%	67.0%	65.4%	82.5%	82.6%	81.2%	68.2%	78.2%	84.3%	84.0%	69.8%
37 Combined	86.7%	86.1%	85.7%	85.3%	85.9%	89.2%	88.2%	88.7%	87.1%	88.3%	88.3%	90.2%	91.5%
<b>38 Skilled nursing facility - average daily census by payor source</b>													
39 Medicare	2,393	2,415	2,264	2,223	2,323	2,499	2,385	2,274	2,218	2,343	2,553	2,341	2,273
40 Managed Care	825	817	803	807	813	805	797	813	826	810	759	535	484
41 Skilled Mix	3,218	3,232	3,067	3,030	3,136	3,304	3,182	3,087	3,044	3,153	3,312	2,876	2,757
42 Private/other	1,432	1,433	1,500	1,509	1,469	1,513	1,518	1,583	1,520	1,534	1,613	1,375	1,392
43 Quality Mix	4,650	4,665	4,567	4,539	4,605	4,817	4,700	4,670	4,564	4,687	4,925	4,251	4,149
44 Medicaid	9,563	9,452	9,488	9,462	9,491	9,538	9,490	9,566	9,590	9,546	9,477	8,311	7,954
45 Total	14,213	14,117	14,055	14,001	14,096	14,355	14,190	14,236	14,154	14,233	14,402	12,562	12,103
<b>46 Skilled nursing facility - percent of average daily census by payor source</b>													
47 Medicare	16.8%	17.1%	16.1%	15.9%	16.5%	17.4%	16.8%	16.0%	15.7%	16.4%	17.7%	18.6%	18.8%
48 Managed Care	5.8%	5.8%	5.7%	5.7%	5.8%	5.6%	5.6%	5.7%	5.8%	5.7%	5.3%	4.3%	4.0%
49 Skilled Mix	22.6%	22.9%	21.8%	21.6%	22.3%	23.0%	22.4%	21.7%	21.5%	22.1%	23.0%	22.9%	22.8%
50 Private/other	10.1%	10.1%	10.7%	10.8%	10.4%	10.6%	10.7%	11.1%	10.7%	10.8%	11.2%	11.0%	11.5%
51 Quality Mix	32.7%	33.0%	32.5%	32.4%	32.7%	33.6%	33.1%	32.8%	32.2%	32.9%	34.2%	33.9%	34.3%
52 Medicaid	67.3%	67.0%	67.5%	67.6%	67.3%	66.4%	66.9%	67.2%	67.8%	67.1%	65.8%	66.1%	65.7%
<b>53 Assisted living facility - average daily census by payor source</b>													
54 Private/other	160	161	160	170	163	160	160	159	158	159	166	97	89
55 Medicaid	38	39	40	38	39	44	44	42	37	42	42	36	26
56 Total	198	200	200	208	202	204	204	201	195	201	208	133	115
<b>57 Assisted living facility - percent of average daily census by payor source</b>													
58 Private/other	80.8%	80.3%	79.9%	81.9%	80.7%	78.6%	78.5%	78.9%	80.9%	79.2%	79.7%	73.0%	77.6%
59 Medicaid	19.2%	19.7%	20.1%	18.1%	19.3%	21.4%	21.5%	21.1%	19.1%	20.8%	20.3%	27.0%	22.4%

**EXTENDICARE HEALTH SERVICES, INC.**

**OPERATING STATISTICS**

(unaudited)

	2010					2009					2008	2007	2006
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total
<b>60 REVENUE - same-facility basis (excludes managed facilities)</b>													
<b>61 Skilled nursing facility - percent of revenue by payor source (includes prior period settlement adjustments)</b>													
62 Medicare	33.0%	32.8%	32.9%	33.2%	33.0%	34.5%	34.0%	32.8%	31.6%	33.2%			
63 Managed Care	<u>9.4%</u>	<u>9.4%</u>	<u>9.3%</u>	<u>9.7%</u>	<u>9.5%</u>	<u>9.4%</u>	<u>9.7%</u>	<u>9.4%</u>	<u>9.9%</u>	<u>9.6%</u>			
64 Skilled Mix	42.4%	42.2%	42.2%	42.9%	42.5%	43.9%	43.7%	42.2%	41.5%	42.8%			
65 Private/other	<u>9.1%</u>	<u>9.0%</u>	<u>9.3%</u>	<u>9.2%</u>	<u>9.1%</u>	<u>9.1%</u>	<u>9.4%</u>	<u>9.7%</u>	<u>9.4%</u>	<u>9.4%</u>			
66 Quality Mix	51.5%	51.2%	51.5%	52.1%	51.6%	53.0%	53.1%	51.9%	50.9%	52.2%			
67 Medicaid	48.5%	48.8%	48.5%	47.9%	48.4%	47.0%	46.9%	48.1%	49.1%	47.8%			
<b>68 Skilled nursing facility - percent of revenue by payor source (excludes prior period settlement adjustments)</b>													
69 Medicare	33.1%	33.3%	32.2%	33.2%	32.9%	34.6%	34.1%	32.8%	31.7%	33.3%			
70 Managed Care	<u>9.5%</u>	<u>9.5%</u>	<u>9.4%</u>	<u>9.7%</u>	<u>9.5%</u>	<u>9.4%</u>	<u>9.6%</u>	<u>9.5%</u>	<u>9.8%</u>	<u>9.6%</u>			
71 Skilled Mix	42.6%	42.8%	41.6%	42.9%	42.4%	44.0%	43.7%	42.3%	41.5%	42.9%			
72 Private/other	<u>9.1%</u>	<u>9.0%</u>	<u>9.3%</u>	<u>9.2%</u>	<u>9.2%</u>	<u>9.1%</u>	<u>9.4%</u>	<u>9.7%</u>	<u>9.4%</u>	<u>9.4%</u>			
73 Quality Mix	51.7%	51.8%	50.9%	52.1%	51.6%	53.1%	53.1%	52.0%	50.9%	52.3%			
74 Medicaid	48.3%	48.2%	49.1%	47.9%	48.4%	46.9%	46.9%	48.0%	49.1%	47.7%			
<b>75 Assisted living facility - percent of revenue by payor source</b>													
76 Private/other	85.1%	84.6%	84.0%	85.1%	84.7%	84.8%	83.0%	83.1%	86.9%	84.4%			
77 Medicaid	14.9%	15.4%	16.0%	14.9%	15.3%	15.2%	17.0%	16.9%	13.1%	15.6%			
<b>78 REVENUE - continuing operations (excludes managed facilities)</b>													
<b>80 Skilled nursing facility - percent of revenue by payor source (includes prior period settlement adjustments)</b>													
80 Medicare	33.5%	33.4%	33.3%	33.8%	33.5%	34.5%	34.0%	32.8%	31.8%	33.3%	34.4%	35.8%	35.9%
81 Managed Care	<u>9.5%</u>	<u>9.5%</u>	<u>9.5%</u>	<u>9.8%</u>	<u>9.6%</u>	<u>9.4%</u>	<u>9.7%</u>	<u>9.4%</u>	<u>10.0%</u>	<u>9.6%</u>	<u>8.7%</u>	<u>6.8%</u>	<u>5.9%</u>
82 Skilled Mix	43.0%	42.9%	42.8%	43.6%	43.1%	43.9%	43.7%	42.2%	41.8%	42.9%	43.1%	42.6%	41.8%
83 Private/other	<u>9.0%</u>	<u>8.9%</u>	<u>9.3%</u>	<u>9.2%</u>	<u>9.1%</u>	<u>9.1%</u>	<u>9.4%</u>	<u>9.7%</u>	<u>9.3%</u>	<u>9.4%</u>	<u>9.8%</u>	<u>9.8%</u>	<u>10.3%</u>
84 Quality Mix	52.0%	51.8%	52.1%	52.8%	52.2%	53.0%	53.1%	51.9%	51.1%	52.3%	52.9%	52.4%	52.1%
85 Medicaid	48.0%	48.2%	47.9%	47.2%	47.8%	47.0%	46.9%	48.1%	48.9%	47.7%	47.1%	47.6%	47.9%
<b>86 Skilled nursing facility - percent of revenue by payor source (excludes prior period settlement adjustments)</b>													
87 Medicare	33.6%	33.9%	32.7%	33.8%	33.5%	34.6%	34.1%	32.8%	31.8%	33.3%	34.5%	35.8%	36.0%
88 Managed Care	<u>9.5%</u>	<u>9.5%</u>	<u>9.5%</u>	<u>9.8%</u>	<u>9.6%</u>	<u>9.4%</u>	<u>9.6%</u>	<u>9.5%</u>	<u>9.9%</u>	<u>9.7%</u>	<u>8.7%</u>	<u>6.8%</u>	<u>5.9%</u>
89 Skilled Mix	43.1%	43.4%	42.2%	43.6%	43.1%	44.0%	43.7%	42.3%	41.7%	43.0%	43.2%	42.6%	41.9%
90 Private/other	<u>9.0%</u>	<u>9.0%</u>	<u>9.3%</u>	<u>9.2%</u>	<u>9.1%</u>	<u>9.1%</u>	<u>9.4%</u>	<u>9.7%</u>	<u>9.4%</u>	<u>9.4%</u>	<u>9.8%</u>	<u>9.8%</u>	<u>10.3%</u>
91 Quality Mix	52.1%	52.4%	51.5%	52.8%	52.2%	53.1%	53.1%	52.0%	51.1%	52.4%	53.0%	52.4%	52.2%
92 Medicaid	47.9%	47.6%	48.5%	47.2%	47.8%	46.9%	46.9%	48.0%	48.9%	47.6%	47.0%	47.6%	47.8%
<b>93 Skilled nursing and assisted living facility - percent of revenue by payor source (includes prior period settlement adjustments)</b>													
94 Medicare	33.3%	33.2%	33.2%	33.6%	33.4%	34.4%	33.8%	32.7%	31.6%	33.1%	34.3%	35.7%	35.8%
95 Managed Care	<u>9.4%</u>	<u>9.4%</u>	<u>9.4%</u>	<u>9.8%</u>	<u>9.5%</u>	<u>9.4%</u>	<u>9.7%</u>	<u>9.3%</u>	<u>10.0%</u>	<u>9.6%</u>	<u>8.7%</u>	<u>6.8%</u>	<u>5.8%</u>
96 Skilled Mix	42.7%	42.6%	42.6%	43.4%	42.9%	43.8%	43.5%	42.0%	41.6%	42.7%	43.0%	42.5%	41.6%
97 Private/other	<u>9.4%</u>	<u>9.3%</u>	<u>9.6%</u>	<u>9.6%</u>	<u>9.4%</u>	<u>9.4%</u>	<u>9.7%</u>	<u>10.0%</u>	<u>9.7%</u>	<u>9.7%</u>	<u>10.1%</u>	<u>10.0%</u>	<u>10.6%</u>
98 Quality Mix	52.1%	51.9%	52.2%	53.0%	52.3%	53.2%	53.2%	52.0%	51.3%	52.4%	53.1%	52.5%	52.2%
99 Medicaid	47.9%	48.1%	47.8%	47.0%	47.7%	46.8%	46.8%	48.0%	48.7%	47.6%	46.9%	47.5%	47.8%
<b>100 SKILLED NURSING FACILITY AVERAGE REVENUE PER RESIDENT DAY BY PAYOR SOURCE (US \$) (includes prior period settlement adjustments)</b>													
101 Medicare Part A only	457.05	455.17	474.72	509.49	473.55	447.79	454.38	457.09	454.76	453.40	422.28	395.93	372.53
102 Medicare (Parts A & B)	499.97	497.21	523.48	554.35	518.14	487.01	497.31	502.29	499.60	496.37	457.34	429.07	404.45
103 Managed Care	409.89	415.60	419.54	443.19	422.06	412.52	424.46	401.95	422.33	415.29	388.67	356.12	310.04
104 Private/other	225.46	223.73	219.29	221.74	222.49	211.84	215.17	212.81	214.58	213.60	205.95	199.73	190.18
105 Medicaid	179.57	183.27	179.52	181.82	181.04	173.70	172.42	174.96	177.80	174.74	168.34	160.45	154.11
106 Weighted average	251.50	254.52	252.87	260.33	254.81	245.66	245.75	244.42	246.44	245.56	235.40	223.13	211.51
<b>107 SKILLED NURSING FACILITY AVERAGE REVENUE PER RESIDENT DAY BY PAYOR SOURCE (US \$) (excludes prior period settlement adjustments)</b>													
108 Medicare Part A only	457.05	457.74	461.11	509.49	470.88	447.79	454.38	457.09	454.76	453.40	422.43	395.89	372.88
109 Medicare (Parts A & B)	499.97	499.77	509.87	554.35	515.47	487.01	497.31	502.29	499.60	496.37	457.49	429.03	404.80
110 Managed Care	409.89	415.60	419.54	443.19	422.06	412.52	417.72	408.50	418.56	415.29	388.67	356.12	310.04
111 Private/other	225.46	223.73	219.29	221.74	222.49	211.84	215.17	212.81	214.58	213.60	205.95	199.73	190.18
112 Medicaid	178.25	179.79	180.55	181.80	180.24	172.88	172.06	174.96	177.81	174.27	168.26	160.40	153.38
113 Weighted average	250.62	252.63	251.38	260.32	253.83	245.11	245.14	244.79	246.23	245.25	235.37	223.09	211.10

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

**EXTENDICARE REIT**  
**Facility Location and Resident Capacity**  
at December 31, 2010

By State/Province	Nursing Centers						Assisted Living and Retirement Centers						Rehab Hospital / Chronic Care Unit		Total		
	Owned		Leased		Managed		Owned		Leased		Managed		# of Centers	Resident Capacity	# of Centers	Resident Capacity	
	# of Centers	Resident Capacity	# of Centers	Resident Capacity	# of Centers	Resident Capacity	# of Centers	Resident Capacity	# of Centers	Resident Capacity	# of Centers	Resident Capacity					
<b>United States</b>							(note 1)		(note 1)				(note 2)				
1 Pennsylvania	20	2,518	-	-	5	519	-	-	-	-	7	199	-	-	32	3,236	
2 Michigan	26	2,863	-	-	-	-	-	-	-	-	1	51	1	28	28	2,942	
3 Wisconsin	27	2,289	-	-	-	-	3	195	-	-	-	-	-	-	30	2,484	
4 Ohio	20	2,083	2	208	-	-	-	30	-	-	-	-	-	-	22	2,321	
5 Kentucky	21	1,770	-	-	-	-	-	-	-	-	-	-	-	-	21	1,770	
6 Washington	13	1,375	2	192	-	-	1	50	-	-	-	-	-	-	16	1,617	
7 Indiana	16	1,497	1	100	-	-	-	35	-	-	-	-	-	-	17	1,632	
8 Minnesota	8	964	-	-	-	-	-	-	-	-	-	-	-	-	8	964	
9 Idaho	2	194	-	-	-	-	-	-	-	-	-	-	-	-	2	194	
10 Oregon	2	166	-	-	-	-	-	-	-	-	-	-	-	-	2	166	
11 Delaware	1	120	-	-	-	-	-	-	-	-	-	-	-	-	1	120	
12 West Virginia	1	120	-	-	-	-	-	-	-	-	-	-	-	-	1	120	
<b>Total United States</b>	<b>157</b>	<b>15,959</b>	<b>5</b>	<b>500</b>	<b>5</b>	<b>519</b>	<b>4</b>	<b>310</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>250</b>	<b>1</b>	<b>28</b>	<b>180</b>	<b>17,566</b>	
<b>Canada</b>																	
1 Ontario	25	3,834	9	1,155	22	3,202	-	-	-	76	1	417	1	120	58	8,804	
2 Alberta	14	1,299	-	-	1	102	-	-	-	-	-	-	-	-	15	1,401	
4 Manitoba	5	762	-	-	1	120	-	-	-	-	1	48	-	-	7	930	
3 Saskatchewan	5	654	-	-	-	-	-	-	-	-	-	-	-	-	5	654	
<b>Total Canada</b>	<b>49</b>	<b>6,549</b>	<b>9</b>	<b>1,155</b>	<b>24</b>	<b>3,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>2</b>	<b>465</b>	<b>1</b>	<b>120</b>	<b>85</b>	<b>11,789</b>	
<b>TOTAL</b>	<b>206</b>	<b>22,508</b>	<b>14</b>	<b>1,655</b>	<b>29</b>	<b>3,943</b>	<b>4</b>	<b>310</b>	<b>-</b>	<b>76</b>	<b>10</b>	<b>715</b>	<b>2</b>	<b>148</b>	<b>265</b>	<b>29,355</b>	
<b>Total Centers operated:</b>					<b>Nursing Centers</b>							<b>Assisted Living and Retirement</b>		<b>Rehab Hospital / Chronic Care Unit</b>		<b>Total</b>	
					<b># of Centers</b>	<b>Resident Capacity</b>						<b># of Centers</b>	<b>Resident Capacity</b>	<b># of Centers</b>	<b>Resident Capacity</b>	<b># of Centers</b>	<b>Resident Capacity</b>
<b>United States</b>					167	16,978						12	560	1	28	180	17,566
<b>Canada</b>					82	11,128						2	541	1	120	85	11,789
<b>TOTAL</b>					<b>249</b>	<b>28,106</b>						<b>14</b>	<b>1,101</b>	<b>2</b>	<b>148</b>	<b>265</b>	<b>29,355</b>

**Notes:**

- (1) Some of the assisted living and retirement units are in wings attached to nursing centers. In this case, the center is only counted once in the "Nursing Centers - # of Centers" column, and the related nursing center 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.

2/28/2011