

## **Extendicare REIT Announces Renewed Normal Course Issuer Bid**

MARKHAM, ONTARIO – Extendicare Real Estate Investment Trust (“Extendicare REIT” or the “REIT”) (TSX: EXE.UN; EXE.DB; EXE.DB.A) announced today that it has received the approval of the Toronto Stock Exchange (the “TSX”) to renew its normal course issuer bid (the “Bid”). Under the terms of the Bid, Extendicare REIT may purchase for cancellation, from time to time, as it considers advisable, up to a maximum of:

- 7,790,000 of its trust units (the “REIT Units”);
- \$11,390,000 aggregate principal amount of its 5.70% convertible unsecured subordinated debentures due June 30, 2014 (the “5.70% Debentures”); and
- \$9,180,000 aggregate principal amount of its 7.25% convertible unsecured subordinated debentures due June 30, 2013 (the “7.25% Debentures”);

(collectively the “REIT Securities”), representing, in each case, approximately 10% of the public float of the outstanding securities on December 31, 2010, calculated in accordance with the rules of the TSX.

As of December 31, 2010, there were 79,831,466 REIT Units, \$113,930,000 principal amount of 5.70% Debentures and \$91,802,000 principal amount of 7.25% Debentures issued and outstanding.

Purchases under the Bid will commence on January 11, 2011 and will terminate on January 10, 2012, or on such earlier date as the Bid is complete. The actual number of REIT Securities purchased under the Bid and the timing of any such purchases will be at the discretion of the REIT.

Purchases of REIT Securities will be made through the facilities of the TSX in accordance with its rules. Subject to the TSX’s block purchase exception, on any trading day, purchases under the Bid will not exceed 55,979 REIT Units, \$11,813 aggregate principal amount of 5.70% Debentures and \$7,788 aggregate principal amount of 7.25% Debentures. The price that the REIT will pay for any REIT Securities purchased under the Bid will be the prevailing market price at the time of purchase and any REIT Securities purchased by the REIT will be cancelled. Extendicare REIT has not purchased any REIT Securities under its previous normal course issuer bid which expired on January 6, 2011.

The Board of Trustees of the REIT has authorized the Bid because it believes that it is an appropriate use of the REIT’s available funds to purchase REIT Securities when the market prices of such securities do not fully reflect their underlying value. Any REIT Securities purchased under the Bid will increase the proportionate interest of, and may be advantageous to, all remaining securityholders.

### **About Us**

Extendicare REIT is a leading North American provider of long-term and short-term senior care services through its network of owned and operated health care centers. We employ 37,600 qualified and experienced individuals dedicated to helping people live better through a commitment to quality service that includes post-acute care, rehabilitative therapies and home health care services. Our 264

senior care centers in North America have capacity for approximately 29,400 residents. Extencicare REIT is a specified investment flow-through trust (SIFT) that has been subject to the SIFT tax since January 1, 2007.

***Forward-looking Statements***

*Information provided by Extencicare REIT from time to time, including this release, contains or may contain forward-looking statements concerning anticipated financial events, results, circumstances, economic performance or expectations with respect to Extencicare REIT and its subsidiaries, including its business operations, business strategy, and financial condition. Forward-looking statements can be identified because they generally contain the words “expect”, “intend”, “anticipate”, “believe”, “estimate”, “plan” or “objective” or other similar expressions or the negative thereof. Forward-looking statements reflect management’s beliefs and assumptions and are based on information currently available, and Extencicare REIT assumes no obligation to update any forward-looking statement, except as required by applicable securities laws. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Extencicare REIT to differ materially from those expressed or implied in the statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on Extencicare REIT’s forward-looking statements. Further information can be found in the disclosure documents filed by Extencicare REIT with the securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com) and on Extencicare REIT’s website at [www.extencicare.com](http://www.extencicare.com).*

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