



REAL ESTATE INVESTMENT TRUST

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NEWS RELEASE

FOR IMMEDIATE RELEASE

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Extendicare REIT Completes \$86.3 Million Offering of Trust Units

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MARKHAM, ONTARIO – Extendicare Real Estate Investment Trust ("Extendicare REIT" or the "REIT") (TSX: EXE.UN) announced today that it has closed its previously announced offering of 9,228,750 trust units of the REIT (the "Trust Units"), including the exercise in full of an over-allotment option of 1,203,750 Trust Units, at a price of \$9.35 per Trust Unit for aggregate gross proceeds of \$86,288,812.50 to a syndicate of underwriters led by RBC Capital Markets. The net proceeds of the offering will provide the REIT with greater balance sheet flexibility and liquidity and will be used by the REIT to repay indebtedness, to fund redevelopment of the REIT's existing properties and for general purposes.

The Trust Units offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. This release does not constitute an offer for sale of Trust Units in Canada or in the United States.

About Extendicare REIT

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 37,900 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 258 senior care centers in North America have capacity for approximately 28,800 residents.

Forward-looking Statements

Information provided by Extendicare 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 Extendicare REIT and its subsidiaries, including its business operations, business strategy, and financial condition. Forward-looking statements can be identified because they generally contain the words "expect", "intend", "anticipate", "believe", "estimate", "project", "plan" 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 Extendicare 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 Extendicare 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 Extendicare REIT's forward-looking statements. Further information can be found in the disclosure documents filed by Extendicare REIT with the securities regulatory authorities, available at www.sedar.com and on Extendicare REIT's website at www.extendicare.com.

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