

FOR IMMEDIATE RELEASE

PUBLIC SECTOR PENSION INVESTMENT BOARD SUCCEEDS IN BID FOR RETIREMENT RESIDENCES REAL ESTATE INVESTMENT TRUST

MISSISSAUGA, CANADA – January 15, 2007 – Public Sector Pension Investment Board (“PSPIB”) and Retirement Residences Real Estate Investment Trust (“Retirement REIT”) (RRR.UN, RRR.DB.B, RRR.DB.C – TSX) announced today that 83,476,702 units (89.3% of the total issued and outstanding units) have been tendered to the take-over bid made by PSPIB Destiny Inc. (“PSPIB Destiny”), a wholly-owned subsidiary of PSPIB. Unitholders of Retirement REIT who tendered units to the offer will receive \$8.35 cash per unit.

“We are very excited by this transaction as it provides a fair value to our unitholders and allows us to continue providing a high level of care to our residents,” said the Honourable William G. Davis, Chair of Retirement REIT. “We are looking forward to working with our new partner who is committed to building on the platform that Retirement REIT has established in the seniors housing industry.”

Together with units owned by PSPIB prior to the bid, PSPIB and PSPIB Destiny will beneficially own 83,610,136 units of Retirement REIT representing approximately 89.5% of the issued and outstanding units. Retirement REIT unitholders who hold their units through a broker or other financial intermediary will receive payment of the purchase price through such broker or intermediary, while unitholders holding units in registered form will receive payment directly from the depository.

PSPIB Destiny has instructed the depository to take up and accept for payment the units tendered and has extended the offer to enable those unitholders that have not yet tendered to deposit their units to the offer. The offer, as extended, will now expire at 11:59 p.m. (local time) on January 26, 2007. A Notice of Extension will be mailed to unitholders of Retirement REIT shortly. If PSPIB Destiny acquires 90% of the outstanding units under the offer as extended, it intends to use the compulsory acquisition provisions in Retirement REIT’s declaration of trust to acquire the remaining units. If less than 90% of the units are deposited to the offer as extended, PSPIB Destiny intends to effect a subsequent acquisition transaction to acquire the remaining units, as described in its take-over bid circular.

PSPIB Destiny intends to cause the de-listing of the units from the Toronto Stock Exchange shortly after PSPIB Destiny and PSPIB acquire 100% of the units.

PSPIB Destiny first announced its intention to make the offer on October 5, 2006 and it mailed its take-over bid circular to Retirement REIT unitholders on October 23, 2006. Pursuant to the offer, PSPIB Destiny is offering to purchase for cash all of the outstanding units of Retirement REIT at a price of \$8.35 per unit.

In accordance with the Support Agreement entered into by PSPIB Destiny and Retirement REIT on October 5, 2006, Retirement REIT is cooperating with PSPIB to effect an orderly transition of Retirement REIT's board of trustees, including the resignations of certain current Retirement REIT trustees and the appointment of individuals nominated by PSPIB Destiny. Retirement REIT has suspended regular monthly distributions and will not declare or pay monthly distributions in the future unless agreed to by PSPIB.

About Retirement REIT

Retirement REIT is the largest provider of accommodation and care for seniors in Canada. Retirement REIT owns 224 retirement and long term care facilities, including 40 facilities in select United States markets, and provides management services to 8 homes for other parties, with an aggregate resident capacity in excess of 26,500. Retirement REIT also provides nursing placement and in-home health care through its Central Health Services unit. For further information, see the Retirement REIT website at www.retirementreit.com.

About PSPIB

PSPIB is a Canadian crown corporation established to manage employer and employee contributions made after April 1, 2000 to the Federal Public Service, the Canadian Forces and the Royal Canadian Mounted Police pension funds.

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