



NEWS RELEASE

3000 Steeles Avenue East, Markham, Ontario L3R 9W2
Tel: (905) 470-4000 Fax: (905) 470-5588

FOR IMMEDIATE RELEASE
June 9, 2014

Extendicare Secures US\$100 Million Mortgage Financing Proceeds to be used to Repay 5.7% Convertible Debentures

MARKHAM, ONTARIO – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) today announced that its wholly owned U.S. subsidiary, Extendicare Health Services, Inc. (EHSI), has completed a US\$100.0 million secured non-recourse term loan (the “PrivateBank Loan”) with The PrivateBank and Trust Company and other banks in the syndicate (collectively the “Lenders”). The proceeds of the PrivateBank Loan, together with other available cash on hand, will be used to repay the principal and accrued and unpaid interest owing under Extendicare’s outstanding 5.7% convertible unsecured subordinated debentures, in the aggregate principal amount of \$113.9 million, that mature on June 30, 2014.

The PrivateBank Loan is secured by first mortgages and an assignment of rents and leases on 19 skilled nursing centers in the State of Kentucky that EHSI leases out to a third-party operator. The PrivateBank Loan has a five-year term maturing in June 2019, with monthly principal and interest payments based on a 25-year amortization period and one-month LIBOR plus 475 basis points. EHSI has the option to prepay the outstanding balance of the loan in whole or in part during its term. The PrivateBank Loan contains customary covenants and events of default, including maintaining minimum rent coverage and debt service coverage ratios on each of the 19 centers and a minimum fixed charge coverage ratio with respect to the 19 centers on a consolidated basis.

ABOUT US

Extendicare is a leading North American provider of post-acute and long-term senior care services. Through our network of owned and operated health care centers, our qualified and experienced workforce of 35,500 individuals is dedicated to helping people live better through a commitment to quality service that includes skilled nursing care, rehabilitative therapies and home health care services. Our 251 senior care centers in North America have capacity to care for approximately 27,800 residents.

Forward-looking Statements

Information provided by Extendicare 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 and its subsidiaries, including, without limitation, statements regarding 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 assumes no obligation to update or revise 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 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’s forward-looking statements. Further information can be found in the disclosure documents filed by Extendicare with the securities regulatory authorities, available at www.sedar.com and on Extendicare’s website at www.extendicare.com.

For further information, contact:

Dylan Mann

Senior Vice President and Chief Financial Officer

Phone: (414) 908-8623; Fax: (905) 470-4003

Email: dmann@extendicare.com

Visit Extendicare’s Website at www.extendicare.com