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NEWS RELEASE

FOR IMMEDIATE RELEASE
April 29, 2013

Extencicare Announces Dividend Reduction to C\$0.04 per Share

MARKHAM, ONTARIO – Extencicare Inc. (“Extencicare” or the “Company”) (TSX: EXE) announced that the Board of Directors of the Company (the “Board”) has elected to reduce the monthly dividend to C\$0.04 per share from C\$0.07 per share, commencing with the May 2013 dividend, payable on June 15, 2013 to shareholders of record at the close of business on May 31, 2013. Extencicare’s dividend is designated as an “eligible dividend” within the meaning of the *Income Tax Act* (Canada).

“This change is consistent with Extencicare’s philosophy of maintaining a conservative payout level,” said Tim Lukenda, President and Chief Executive Officer. “The Company’s U.S. cash flow will principally be used to enhance operations, provide financial flexibility and become responsive to future changes in funding. The U.S. operating environment has changed substantially due to significant reductions in government funding, increases in alternative care settings and increased regulation. We have made the decision to reduce dividends to a level that allows us to be adaptable to an evolving U.S. health care marketplace and provides the strength and flexibility we require to navigate uncertainty in the near term.”

The Company will announce its 2013 first quarter results on May 9, 2013. In light of continuing U.S. economic weakness resulting in reductions in both funding and census, the Company expects to report financial results for the first quarter of 2013, with Funds from Operations of \$0.17 per basic share and Adjusted Funds from Operations of \$0.21 per basic share.

The declaration and payment of future dividends by Extencicare continues to be at the discretion of the Board as to the amount and timing of dividends to be declared and paid, after consideration of a number of factors, including results of operations, requirements for capital, future financial prospects, debt covenants and obligations, and any other factors considered to be relevant.

Conference Call

Management will host a conference call on April 30, 2013 at 9:00 a.m. ET to discuss the details of this release. The call will be hosted by Tim Lukenda, President and Chief Executive Officer and Doug Harris, Senior Vice President and Chief Financial Officer. Following management’s presentation, there will be a question and answer session for analysts and institutional investors.

To participate in the conference call on April 30, 2013, please dial 1-888-789-9572 or 416-695-7806 followed by the passcode 4263788#. The conference call will also be accessible via webcast at www.extencicare.com under the investors/presentations and webcasts section. A replay of the call will be available approximately two hours after completion of the live call until midnight on May 7, 2013. To access the rebroadcast dial 1-800-408-3053 or 905-694-9451 followed by the passcode 3624013#.

About Us

Extencicare 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 35,600 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 247 senior care centers in North America have capacity to care for approximately 27,100 residents.

Forward-looking Statements

Information provided by Extencicare 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 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.

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