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## NEWS RELEASE

FOR IMMEDIATE RELEASE  
October 15, 2012

### Extendicare Announces October 2012 Dividend of C\$0.07 per Share

MARKHAM, ONTARIO – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) announced that it has declared a cash dividend of C\$0.07 per common share of the Company (the “Common Shares”) for the month of October 2012, which is payable on November 15, 2012 to shareholders of record at the close of business on October 31, 2012. This dividend is designated as an “eligible dividend” within the meaning of the Income Tax Act (Canada).

Extendicare has a Dividend Reinvestment Plan (the “DRIP”), which provides Canadian resident holders of Common Shares with the opportunity to increase their respective investments at a 3% discount to the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the dividend payment date. A copy of the DRIP package is available under the investors section of Extendicare’s website.

#### 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 36,100 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 243 senior care centers in North America have capacity to care for approximately 26,700 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 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](http://www.sedar.com) and on Extendicare’s website at [www.extendicare.com](http://www.extendicare.com).*

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