

Extendicare REIT Receives Unitholder Approval for Plan of Arrangement to Convert to a Corporate Structure

MARKHAM, ONTARIO – Extendicare Real Estate Investment Trust (“Extendicare REIT” or “Extendicare”) (TSX: EXE.UN) announced today it has received 97.7% unitholder approval of the plan of arrangement (the “Arrangement”) to convert from an income trust structure to a corporate structure under a corporation to be named “Extendicare Inc.” (“New Extendicare”). Unitholders also approved the adoption of a shareholder rights plan by New Extendicare.

As previously announced, the Arrangement is also subject to the approval of the Ontario Superior Court of Justice, and various third party and regulatory approvals, including the approval of the Toronto Stock Exchange (“TSX”). Extendicare is scheduled to appear before the Court on May 15, 2012, to apply for a final order approving the Arrangement.

Under the Arrangement, which is anticipated to be completed on July 1, 2012, holders of Extendicare REIT units (“REIT Units”) will have their REIT Units exchanged for common shares of New Extendicare (the “Common Shares”) on the basis of one Common Share for each REIT Unit. In addition, New Extendicare will assume all of the obligations of Extendicare REIT in respect of its outstanding 5.70% convertible unsecured subordinated debentures due June 30, 2014 and 7.25% convertible unsecured subordinated debentures due June 30, 2013 (collectively, the “Convertible Debentures”). As a result, following the completion of the Arrangement, holders of the Convertible Debentures will be entitled to receive Common Shares of New Extendicare on the same basis as REIT Units were previously issuable on the conversion thereof. The TSX has conditionally approved the substitutional listings on the TSX of the Common Shares, under the trading symbol “EXE”, and the Convertible Debentures due June 30, 2014 and June 30, 2013, under the trading symbols “EXE.DB” and “EXE.DB.A”, respectively.

It is important that registered holders of REIT Units complete, execute and deliver a Letter of Transmittal, in the form sent with Extendicare REIT's Management Information and Proxy Circular dated April 2, 2012, together with the certificates representing their REIT Units, to Computershare Investor Services Inc. (the “Depository”), in the manner specified therein. In the case of unitholders whose REIT Units are registered in the name of a broker or other nominee, such nominee will assist in arranging for the exchange of REIT Units and the completion of the required documentation. Unitholders will not receive a DRS Advice evidencing their ownership of Common Shares (or dividends or distributions following completion of the Arrangement) until they submit the certificates for their REIT Units to the Depository along with a duly completed Letter of Transmittal. A copy of the Letter of Transmittal is available on Extendicare's website at www.extendicare.com.

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 37,900 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 263 senior care centers in North America have capacity to care for approximately 28,200 residents.

Forward-looking Statements

Information provided by Extencicare 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 Extencicare 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 Extencicare REIT 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 Extencicare 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 Extencicare REIT’s forward-looking statements. Further information can be found in the disclosure documents filed by Extencicare REIT with the securities regulatory authorities, available at www.sedar.com and on Extencicare’s website at www.extencicare.com.

As a conversion by Extencicare REIT into a corporate structure will be subject to and conditional upon, among other things, court approval, some or all of which conditions are beyond the control of Extencicare REIT, there can be no assurance that such a conversion will occur or will occur within a particular time frame.

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