

Extendicare Schedules Special Meeting of Shareholders for March 8, 2016

Announces previously initiated Board Renewal and Compensation Plan Review

MARKHAM, ONTARIO – December 4, 2015 – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) announced today it has called a special meeting of shareholders of the Company (the “Meeting”) to take place on March 8, 2016. The record date for determining shareholders eligible to vote at the Meeting has been set as January 11, 2016. The Company will provide further information about the Meeting in a management information circular that will be mailed to shareholders and posted to the Company's website and SEDAR.

The Meeting was called in response to a requisition received from Oxford Park Group (“Oxford”). Extendicare has identified a deficiency in Oxford’s requisition that is not consistent with the Company’s publicly available articles and by-laws. Despite this deficiency, Extendicare’s Board of Directors determined that it is in the best interests of the Company and shareholders to proceed to call the Meeting. Extendicare’s legal counsel has contacted Oxford’s legal counsel to determine what steps, if any, Oxford intends to take to address the defect in its requisition.

“We are excited about the prospects for Extendicare’s future. The market’s belief in our strategy – to generate growing and sustainable shareholder value by delivering care across the health care continuum to meet the needs of a growing seniors’ population across Canada – is reflected in our appreciating share price and positive outlook,” stated Tim Lukenda, President and Chief Executive Officer, Extendicare. “We have moved with discipline and decisiveness since the completion of the U.S. sale. In this short time, we have doubled the size of our home care operations, broken ground on our retirement community development pipeline, acquired accretive retirement communities in good markets and have begun our long-term care redevelopment planning.”

“While proxy contests can be expensive and distracting, Extendicare’s management team will remain focused on executing our value creation strategy and will continue to engage constructively with shareholders,” Mr. Lukenda added.

Following the completion of the sale of its U.S. operations on July 1, 2015, and reflecting the evolution of the business and future strategy, in August 2015 the Board initiated an exercise to review its composition to ensure that it continues to have the ideal mix of skills, experience and perspectives to oversee the Company’s future growth. This process is well under way and the results of the review will be communicated in due course.

As part of Extendicare's planned evolution, Extendicare also commenced a second initiative in August 2015, to review its board and executive compensation practices. The Board of Directors believes that it is incumbent upon leading organizations to benchmark their approach against that of their peers and others to ensure compensation alignment. Hugessen Consulting has been engaged to review the Company’s compensation practices and to make recommendations in this regard. Extendicare’s approach to executive compensation was approved in an advisory vote of shareholders by 91% of the votes cast at the 2015 Annual and Special Meeting of Shareholders.

“Following the sale of our U.S. operations, the Board determined that it was the right time to undertake these governance initiatives, consistent with our commitment to best represent the interests of all shareholders. That is why we initiated these activities last summer,” said Benjamin J. Hutzel, Chairman of Extendicare’s Board of Directors.

Oxford and its principals, John Bitove and Phil Evershed, were made aware of Extendicare's plans to undertake these governance initiatives well in advance of its requisition, but opted to launch a proxy contest on a company with an appreciating share price, in which it only recently invested. Extendicare will provide an update regarding the progress of its governance initiatives as developments warrant.

ABOUT EXTENDICARE

Extendicare is a leading provider of care and services for seniors throughout Canada. Through our network of 116 operated senior care centres (62 owned/54 managed), as well as our home health care operations, we are committed to delivering care throughout the health care continuum to meet the needs of a growing seniors' population in Canada. Our qualified and highly trained workforce of 22,800 individuals is dedicated to helping people live better through a commitment to quality service and a passion for what we do.

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 "anticipate", "believe", "estimate", "expect", "intend", "objective", "plan", "project", "will" 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.

This news release is not intended to and does not constitute a solicitation of proxies in relation to the Meeting. Any solicitation of proxies by or on behalf of management of Extendicare in relation to the Meeting will take place upon and following the dissemination of Extendicare's management information circular and other meeting materials in accordance with applicable law.

For further information, contact:

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