

Extendicare Announces Changes to its Board of Directors

MARKHAM, ONTARIO – January 6, 2016 – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) today announces several changes to its Board of Directors, resulting from the board renewal process commenced in August 2015 following completion of the sale of the Company’s U.S. operations. The objective of the process was to review the Board’s composition to ensure that it continues to have the ideal mix of skills, experience and perspectives to oversee management’s implementation of Extendicare’s strategic plan.

Today, Extendicare announces the retirement of Dr. Seth B. Goldsmith, Alvin G. Libin and J. Thomas MacQuarrie, QC as members of the Board and the appointment of Donna Kingelin and Alan Torrie to the Board, effective immediately.

“Seth, Alvin and Thomas have served the Company and its shareholders with dedication and have helped lay the groundwork for Extendicare’s sustained growth in Canada,” said Benjamin J. Hutzler, Chairman of Extendicare’s Board of Directors. “As part of our board renewal process, I’m delighted to welcome Donna Kingelin and Alan Torrie to the Board. They each bring complementary backgrounds and skills to the Board and are exceptionally qualified to represent the interests of all shareholders.”

The new directors’ biographies follow:

Donna Kingelin

Ms. Kingelin is an experienced director who brings over 30 years of leadership and operating experience in the senior living industry to Extendicare’s Board of Directors. Her experience includes the administration of nursing homes, independent retirement homes, assisted living complexes, skilled nursing facilities and home care, in public and private organizations.

Ms. Kingelin is currently a principal of Kingswood Consulting, a partnership specializing in providing comprehensive services for long-term care, assisted living and independent retirement companies. Previously, Ms. Kingelin held the position of Managing Director at Holiday Corporation, a private independent retirement living company with over 300 communities across North America. Prior to that, she was a senior executive at Revera Inc. (1997 to 2010), a company wholly owned by the Public Service Pension Investment board (PSP Investments), providing accommodation, care and services to seniors in over 200 retirement and long-term care homes in North America, that was taken private in 2007 (formerly Retirement Residences REIT). Ms. Kingelin was Senior Vice President of Operations from 1997 to 2007, and Chief Operating Officer from 2007 to 2010, where she played a key role in taking the long-term care division public in 1997 as CPL Long Term Care REIT, followed by its acquisition in 2002 by Retirement Residences REIT, and back to private in 2007 when it was acquired by PSP Investments.

Ms. Kingelin currently holds the position of Chair of the Board of Trustees for Lakeridge Health, one of Ontario’s largest community hospitals, as well as past Chair of the Resource and Quality committees and past member of the Finance and Audit committees. In addition to her Lakeridge Board responsibilities, she is a Trustee and Chair of the Human Resource Committee of the Oshawa Public Utility Board of Trustees. Ms. Kingelin previously served as a member of the Ontario Long Term Care Association Board of Trustees where she was the Chair of the Resident Care and Services Committee. She is a Registered Nurse, has earned the ICD.D designation from the Institute of Corporate Directors and has completed executive management training at Queens University.

Alan Torrie

Mr. Torrie is an experienced director who brings over 30 years of leadership and operating experience to Extendicare's Board of Directors. He is President and Chief Executive Officer of Morneau Shepell Inc., a TSX listed public company that is the leading provider of employee and family assistance programs, the largest administrator of pension and benefits plans and the largest provider of integrated absence management solutions in Canada, and a member of its Board of Directors. Mr. Torrie joined Morneau Shepell in 2005 as a Trustee of the then income fund and Chair of the Compensation and Corporate Governance Committee and became President in 2008 and CEO in 2009.

Previously, Mr. Torrie amassed extensive experience as a senior executive in the seniors' housing and health and life science industries, including as Chief Operating Officer of Retirement Residences REIT from 2005 to 2007, before it was taken private as Revera Inc., and in a number of senior executive positions at MDS Inc. (a predecessor of Nordion Inc.) from 1987 to 2005, where he served as Executive Vice President of MDS Inc. (2003 to 2005), and as President and Chief Executive Officer of MDS Diagnostics and MDS Laboratories from 1999 to 2003. He has also served as Executive-in-Residence with Clairvest Private Equity, a Toronto-based private equity management firm, and earlier in his career as the President and CEO of Joseph Brant Hospital and Chief Operating Officer and Vice President of Humber Memorial Hospital.

Mr. Torrie has served on numerous community boards and is currently a director and Chairman of the Finance Committee of Appleby College. In addition, he is the immediate past Chair of Trillium Health Partners and previously served on the board of Cynapsus Therapeutics Inc. (2006 to 2013) and as a member of its audit committee. Mr. Torrie holds a B. Sc in Biochemistry from McMaster University, a DHA in Healthcare Management from the University of Toronto and has completed the Advanced Management Program from Harvard University.

In recognition of the substantial contributions that the retiring directors have made to the Company, the Board has designated Dr. Goldsmith and Messrs. Libin and MacQuarrie as Directors Emeritus. Dr. Goldsmith and Messrs. Libin and MacQuarrie will not participate in or attend Board meetings, but will be available to provide advice and assistance, as the Company may request, to allow the Company and shareholders to benefit from their expertise, as needed.

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 "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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