

Extendicare Completes Acquisition of Two Retirement Communities

MARKHAM, ONTARIO – February 23, 2016 – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) today announced that it has closed on the previously announced acquisition of two private-pay retirement communities, with 158 suites in total, for approximately \$40.5 million, inclusive of up to \$4.5 million of income support, representing an expected stabilized NOI yield in the range of 7.3% to 7.7%.

Extendicare has acquired West Park Crossing Retirement Community in Moose Jaw, SK and Yorkton Crossing Retirement Community in Yorkton, SK from Brightwater Senior Living Group. The properties are newly built 79-suite communities offering independent, enhanced and memory care services.

“We are pleased to announce the completion of these previously announced acquisitions and look forward to our expanded presence in Saskatchewan to complement our existing operations there,” stated Tim Lukenda, President and CEO of Extendicare. These newly constructed state-of-the-art centres offer a range of retirement lifestyle services to meet the needs of a growing seniors’ population in these communities.”

The vendor has provided Extendicare with income support over 27 months of up to \$2.25 million on each community, for an aggregate of up to \$4.5 million in income support. This amount was held back from the \$40.5 million purchase price on closing, and will be released back to Extendicare during the lease-up period based on an agreed-upon formula.

The purchase price for these acquisitions will initially be paid in cash with an intention to finance up to 65% as stabilized occupancy is achieved.

About Extendicare

Extendicare is a leading provider of care and services for seniors throughout Canada. Through our network of 118 operated senior care centres (64 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 23,100 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.

For further information, contact:

Elaine E. Everson
Vice President and Chief Financial Officer
Phone: (905) 470-4000; Fax: (905) 470-4003
Email: eeverson@extendicare.com
Visit Extendicare’s Website at www.extendicare.com