

## **Extendicare Announces Completion of Acquisition to Expand its Canadian Home Health Care Business**

MARKHAM, ONTARIO – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) is pleased to announce that the Company has completed the acquisition of the Revera Home Health business from Revera Inc. (the “Vendor”), for \$83 million in cash, before working capital adjustments (the “Transaction”).

The Transaction was financed with a bridge loan of approximately \$80 million (the “Bridge Loan”) and cash on hand. The Bridge Loan has a term of five months to September 30, 2015, with the option to extend it for a further three months subject to the lender’s consent. The Bridge Loan will be repaid from the proceeds of the previously announced sale of substantially all of Extendicare’s U.S. operations, which is expected to close in the second quarter of 2015. Extendicare management estimates that this acquisition will add approximately \$0.10 (annualized) to Extendicare’s AFFO per share in the first year, excluding any temporary financing costs.

Extendicare, through its ParaMed Home Health Care division (ParaMed), is currently the largest private-sector home health care provider in Ontario, providing approximately 5.1 million hours of service annually with approximately 98% of its revenue generated from government contracts. The Transaction brings together two leading Canadian private-sector home health care providers focused on quality, person-centred care and employee satisfaction. Extendicare will rebrand Revera Home Health under its ParaMed banner across six provinces (Ontario, British Columbia, Alberta, Quebec, Manitoba and Nova Scotia).

Tim Lukenda, President and CEO of Extendicare, said that “With the completion of this transaction, we have expanded our platform to be a national provider of home health care services, effectively doubling the number of caregivers, hours of service, and revenue from this segment of our operations. We are excited to welcome the team from Revera and look forward to the opportunities that lie ahead to meet the needs of Canada’s seniors.”

Thomas G. Wellner, President and CEO of Revera, added, “This transaction represents an important strategic milestone for Revera that will support investment in new opportunities; we thank our home health team and are pleased they will continue to lead in the industry under new ownership.”

Lukenda continued by saying, “We believe there is a strong demographic opportunity for home health care in Canada. There’s a growing preference among seniors to age in the home and it is driving demand for home health care services. We are positioning our Company through our ParaMed brand to be a leader in this important segment of the health care continuum. We want to ensure that Extendicare can deliver the right care, at the right time, in the right place for Canada’s growing seniors’ population. This acquisition is a key step in executing on this part of our growth strategy to expand Extendicare’s presence geographically and across the continuum of care.”

RBC Capital Markets acted as financial advisor and Bridge Loan financing provider, and Bennett Jones LLP acted as legal advisor to Extendicare in connection with the Transaction.

TD Securities Inc. acted as financial advisor and Goodmans LLP acted as legal advisor to Revera in connection with the Transaction.

## **ABOUT EXTENDICARE**

Extendicare is a leading provider of care and services for seniors in Canada. Through our network of 112 operated senior care centres (58 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 22,400 individuals is dedicated to helping people live better through a commitment to quality service and a passion for what we do. As previously reported, our U.S. senior care operations have been classified as discontinued, with sale transactions expected to close in the second quarter of 2015.

### ***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: the expected timing of closing of the previously announced sale of substantially all of the Company's U.S. operations; the Company's expectations with respect to the refinancing of the Bridge Loan; the anticipated impact of the Transaction on the Company's AFFO; the expected growth opportunities resulting from the Transaction; the Company's beliefs regarding the future growth prospects and demographic opportunities of the home health business; and the Company's 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, including, without limitation, the following: the Company's ability to complete the sale of its U.S. operations in the time frame contemplated, which is subject to certain conditions, some of which are beyond the control of the Company; changes in the prospects of the home health care industry; the Company's ability to realize the anticipated benefits of the Transaction; and other risks relating to the business and industry of the Company that are detailed from time to time in the Company's filings with the Canadian provincial securities regulators. 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).*

For further information, contact:

Jillian Fountain

Corporate Secretary

Phone: (905) 470-5534; Fax: (905) 470-4003

Email: [jfountain@extendicare.com](mailto:jfountain@extendicare.com)

**[www.extendicare.com](http://www.extendicare.com)**