

## **Extendicare Acquires Empire Crossing Retirement Community**

MARKHAM, ONTARIO – October 1, 2015 – Extendicare Inc. (“Extendicare” or the “Company”) (TSX: EXE) today announced that a wholly owned subsidiary of Extendicare has acquired Empire Crossing Retirement Community (Empire Crossing) for \$20.2 million from a subsidiary of the Nautical Lands Group, a private developer of retirement homes in Ontario.

Empire Crossing, located in Port Hope, ON, is a newly-built 64 suite independent and assisted living community that opened in May, 2015, and is filling up well in accordance with projections. The property also comes with excess land, providing the option to double the size of the retirement community in the future contingent on market demand.

“This is an acquisition of a new community in a region with favourable demographic trends that delivers on Extendicare’s strategy to grow across the continuum of care and increase the proportion of private-pay revenue within our overall business mix,” stated Tim Lukenda, President and CEO of Extendicare. “This transaction will ultimately deploy approximately \$7 million of proceeds from the sale of our U.S. operations in a strategic fashion, and supports our overriding objective of creating sustainable and growing value for our shareholders.”

The vendor has provided Extendicare with 24-months occupancy support of up to \$1.3 million. This amount will be held back from the \$20.2 million purchase price on closing and released back to Extendicare during the lease-up period based on an agreed-upon formula. The purchase price represents a per suite value of approximately \$315,600 and a stabilized NOI yield estimated at 6.88%. The purchase price will initially be paid in cash with an intention to finance up to 65% within a year.

The acquisition of Empire Crossing is incremental to the recently announced developments by Extendicare of retirement centers in the communities of Simcoe, Uxbridge and Bolton, which are expected to be open in early 2017. The anticipated cost of these three development projects is approximately \$71 million. We expect to be able to leverage up to 75% of the associated development cost, with the balance to be paid from cash on hand.

### **About Us**

Extendicare is a leading provider of care and services for seniors throughout 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 22,700 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](http://www.sedar.com) and on Extendicare’s website at [www.extendicare.com](http://www.extendicare.com).*

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