

**Canadian Press**  
**September 1, 2004**

# Extendicare sells nursing facility in B.C. and operations in Arkansas

From Canadian Press

MARKHAM, Ont. (CP) - Extendicare Inc. is selling a nursing home in B.C. and its operations in Arkansas because they've been subject to difficult market conditions and do not contribute significantly to earnings. the company said Wednesday.

Extendicare's 75-bed nursing home in British Columbia is being sold for \$5.5 million in cash, of which \$3.2 million will be used to retire long-term debt associated with the facility.

The gain on sale is estimated to be \$500,000.

The Arkansas operation includes a 96-bed nursing facility and three assisted living facilities of 181 units located on one campus.

The sale price of \$6.1 million US consists of cash and a \$900,000 US five-year note. The loss on sale is approximately \$700,000 US.

The company also said its wholly owned U.S. subsidiary, Extendicare Health Services, would record in the third quarter a revenue pick up of about \$4.5 million US for the 12-month period ended June 30, due to a Medicaid rate increase retroactive to July 1, 2003, approved by the governor of Pennsylvania.

"The state has not confirmed rates for the July 1, 2004 to June 30, 2005 fiscal year, however payment rates will remain at the newly revised level until further notice," the company said.

Extendicare, through its subsidiaries, operates 268 long-term care facilities across North America, with capacity for over 27,900 residents.

Extendicare's class-A shares (TSX:EXE.A) were up six cents at \$15.30 in trading on the Toronto stock market.