HealthSouth Announces Pricing Of $400 Million Senior Notes Offering

PR Newswire
BIRMINGHAM, Ala.

BIRMINGHAM, Ala., Jan. 20, 2015 /PRNewswire/ -- HealthSouth Corporation (NYSE: HLS) today announced the pricing of its underwritten public offering of $400 million of its 5.75% senior notes due 2024 at a public offering price of 102% of the principal amount. The Company will pay interest on the notes semiannually in arrears on May 1 and November 1 of each year, beginning on May 1, 2015. The notes will be jointly and severally guaranteed on a senior unsecured basis by all of its existing and future subsidiaries that guarantee borrowings under the Company's credit agreement and other capital markets debt. The offering is expected to close on January 29, 2015 and is conditioned on the satisfaction of customary closing conditions.

The Company intends to use the net proceeds from this offering along with cash on hand to repay $250 million of borrowings under the $300 million tranche of its term loan facility and, with respect to remaining proceeds, borrowings under its revolving credit facility. The borrowings being repaid were used to fund the Encompass Home Health and Hospice acquisition on December 31, 2014.

BofA Merrill Lynch; Barclays; Citigroup; Goldman, Sachs & Co.; J.P. Morgan; Morgan Stanley; RBC Capital Markets; Regions Securities LLC; SunTrust Robinson Humphrey; and Wells Fargo Securities will act as joint book-running managers of the offering.

The debt offering is being made pursuant to an effective shelf registration statement on Form S-3 filed with the Securities and Exchange Commission. The offering is being made solely by means of a prospectus supplement and accompanying prospectus which has been filed with the SEC. Before you invest, you should read the prospectus supplement and accompanying prospectus, as well as other documents the Company has filed or will file with the SEC that are incorporated by reference in the prospectus supplement for more complete information about the Company and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the Company, any underwriter or any dealer participating in the offering will arrange to send the prospectus relating to the offering to you if you request it by contacting: BofA Merrill Lynch, 222 Broadway, New York, NY 10038, Attention: Prospectus Department, email: dg.prospectus_requests@baml.com; Barclays, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717, barclaysprospectus@broadridge.com, 888-603-5847; Citigroup, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, (800) 831-9146 or prospectus@citi.com; Goldman, Sachs & Co. Prospectus Department, 200 West Street, New York, NY 10282, telephone: (866) 471-2526, facsimile: (212) 902-9316, or email: prospectus-ny@ny.email.gs.com; J.P. Morgan, 383 Madison Avenue, New York, NY 10179, Attention: High Yield Syndicate, telephone: (800) 245-8812, or email: HY_syndicate@jpmorgan.com; Morgan Stanley & Co. Incorporated, (212) 761-9199; RBC Capital Markets, Attention: High Yield Capital Markets, Three World Financial Center, 200 Vesey Street, 10th Floor, New York, NY 10281-8098, telephone: (877) 280-1299; Regions Securities LLC, (404-279-7400); SunTrust Robinson Humphrey, (404) 926-5052; or Wells Fargo Securities, (800) 326-5897.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

About HealthSouth

HealthSouth is one of the nation's largest providers of post-acute healthcare services, offering both facility-based and home-based post-acute services in 33 states and Puerto Rico through its network of inpatient rehabilitation hospitals, home health agencies, hospice agencies and outpatient rehabilitation satellite clinics.

Forward-Looking Statements

Statements contained in this press release, such as the likelihood, timing and effects of the completion of this offering, are forward-looking statements. In addition, HealthSouth, through its senior management, may from time to time make forward-looking public statements concerning the matters described herein. All such estimates, projections, and forward-looking information speak only as of the date hereof, and HealthSouth undertakes no duty to publicly update or revise such forward-looking information, whether as a result of new information, future events, or otherwise. Such forward-looking statements are necessarily estimates based upon current information, involve a number of risks and uncertainties, and relate to, among other things, future events, HealthSouth's plan to repurchase its debt or equity securities, dividend strategies, effective income tax rates, HealthSouth's business strategy, its financial plans, its future financial performance, its projected business results or model, its ability to return value to shareholders, its projected capital expenditures, or its acquisition activities and opportunities. Actual events or results may differ materially from those anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors which could cause actual events or results to differ materially from those estimated by HealthSouth include, but are not limited to, the demand for the securities being offered; the accuracy of the representations made by Encompass in connection with the acquisition; any adverse outcome of various lawsuits, claims, and legal or regulatory proceedings that have been or may be brought by or against HealthSouth, including its pending DOJ and HHS-OIG investigations as well as those related to yet undiscovered issues, if any, at Encompass; adverse effects on the price of HealthSouth's securities resulting from the integration of Encompass; the ability to successfully integrate Encompass consistent with HealthSouth's growth strategy, including realization of anticipated revenues, cost savings, and productivity improvements arising from the related operations and avoidance of unforeseen exposure to liabilities; changes in HealthSouth's or Encompass management team; changes in the regulation of the healthcare industry broadly or in the inpatient rehabilitation, home health and hospice areas specifically at either or both of the federal and state levels; competitive pressures in the healthcare industry broadly or in the inpatient rehabilitation, home health and hospice areas specifically and HealthSouth's response thereto; potential disruptions, breaches, or other incidents affecting the proper operation, availability, or security of HealthSouth's information systems, including the unauthorized access to or theft of patient or other sensitive information as well as unforeseen issues, if any, related to integration of Encompass' systems; changes, delays in (including in connection with resolution of Medicare payment reviews or appeals), or suspension of reimbursement for services by governmental or private payors; general conditions in the economy and capital markets; and other factors which may be identified from time to time in HealthSouth's SEC filings and other public announcements, including HealthSouth's Form 10-K for the year ended December 31, 2013 and Form 10-Q for the quarters ended March 31, 2014, June 30, 2014, and September 30, 2014.

Media Contact
Casey Lassiter, 205-410-2777
casey.lassiter@healthsouth.com

Investor Relations Contact
Mary Ann Arico, 205-969-6175
maryann.arico@healthsouth.com

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