HealthSouth Announces Pricing of $350 Million of Senior Notes in a Private Offering

PR Newswire
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BIRMINGHAM, Ala., Sept. 11, 2015 /PRNewswire/ -- HealthSouth Corporation (NYSE: HLS) today announced the pricing of a $350 million private offering of 5.75% senior notes due 2025 (the "Notes") at a price of 100.0% of the principal amount. The Company will pay interest on the Notes semiannually in arrears on March 15 and September 15 of each year, beginning on March 15, 2016. The Notes will be jointly and severally guaranteed on a senior unsecured basis by all of the Company's existing and future subsidiaries that guarantee borrowings under the Company's credit agreement and other capital markets debt. This private offering is expected to close on September 16, 2015 and is conditioned on the satisfaction of customary closing conditions.

The Company intends to use the net proceeds from this private offering to fund a portion of its previously announced acquisition of the operations of Reliant Hospital Partners, LLC and affiliated entities ("Reliant") and to pay fees and expenses related to the Reliant acquisition, which is expected to close in the fourth quarter of 2015. This private offering, however, is not conditioned upon the completion of the Reliant acquisition, and the Reliant acquisition is subject to conditions that do not include the consummation of this offering.

The Notes have been offered in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States pursuant to Regulation S under the Securities Act. The Notes and the related guarantees have not been registered under the Securities Act, or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws.

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, and hospice agencies.

Forward-Looking Statements

Statements contained in this press release, such as the likelihood, timing and effects of the completion of this private offering and the pending Reliant acquisition, 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 Reliant 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 Reliant; adverse effects on the price of HealthSouth's securities resulting from the integration of Reliant; the ability to successfully integrate Reliant 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 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 or transition of information systems in Reliant hospitals; 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, 2014 and Form 10-Q for the quarters ended March 31, 2015 and June 30, 2015.

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