

Centric Health Announces Offer to Purchase All Second Lien Senior Secured Notes

TORONTO, Jan. 19, 2016 /CNW/ - Centric Health Corporation ("Centric Health" or "the Company") (TSX: CHH) today announced that it intends to offer to purchase, for par value (the "Offer Price"), all of its remaining 8.625% Second Lien Senior Secured Notes (the "Notes") currently outstanding, together with accrued and unpaid interest up to but excluding the date of purchase (the "Offer to Purchase").

Concurrently with the Offer to Purchase, the Company also intends to solicit the consents of the holders of the outstanding Notes to amend its trust indenture (the "Indenture") dated April 18, 2013 among the Company, each of the guarantors party thereto, and Equity Financial Trust Company (the "Consent Solicitation"). The proposed amendments are intended to provide the Company, subject to certain limitations, with additional flexibility to, among other things, repurchase, redeem or otherwise acquire for value or retire its outstanding securities, make interest and principal payments on subordinated debt, incur additional indebtedness, alter the size of its Revolving Credit Facility, make distributions to shareholders, and make additional acquisitions and dispositions (the "Amendments"). The Consent Solicitation shall close immediately prior to the completion of the Offer to Purchase described above. The Amendments require the approval of holders of Notes representing at least 50% of the principal amount of the Notes outstanding. As of the date hereof, the Company has received commitments from holders of over 70% of the outstanding Notes to consent to the proposed Amendments. Centric Health has retained National Bank Financial Inc. to act as the Solicitation Agent for the solicitations of consent.

Registered holders of the Notes wishing to participate must provide a duly completed Letter of Acceptance (a "Notice") indicating their intention to surrender Notes, together with the certificate representing such Notes, to Equity Financial at the address set out in the Notice by 11:00 a.m. (EDT) on February 18, 2016 (the "Notice Deadline"), subject to extension by the Company. Beneficial holders of Notes wishing to participate must contact their broker for specific instructions.

On the day following the Notice Deadline, the Company will publicly announce the total principal amount of the Notes purchased (the "Purchased Notes"). The Company expects to pay the Offer Price for such Notes on February 22, 2016, but in any event no later than February 23, 2016, subject to extensions of the Notice Deadline by the Company. Holders of Notes that are purchased will not receive any future interest payments on such purchased Notes.

All Notes tendered under the Offer to Purchase shall be purchased out of Excess Proceeds. On January 18, 2016, the Company made a determination in accordance with the Indenture that \$233,895,799.84 of the net proceeds from the sale of the Company's rehabilitation, physiotherapy and medical assessments divisions completed on December 31, 2015 were Excess Proceeds and, as a result, there are currently Excess Proceeds of \$234,204,490.95. In the event that not all of the holders of the Notes accept the offer and, as a result, the Company remains subject to its obligations under the Indenture following completion of the Offer to Purchase, the Company intends to apply the balance of the Excess Proceeds remaining after the completion of such offering for any purpose not otherwise prohibited by the Indenture, which may include the repurchase, redemption, defeasance or other acquisition or retirement for value of indebtedness of the Company and guarantors under the Indenture that is subordinated in right of payment to the Notes, or for the redemption of issued and outstanding preferred units of LifeMark Health Limited Partnership held by Alaris.

Centric Health will discontinue engaging the debt rating services provided by Standard & Poors and Dominion Bond Rating Services for such Notes, effective as of the payment date.

About Centric Health

Centric Health provides expert solutions and trusted care through a national community of experts who can be accessed quickly and have a track record of achieving superior patient outcomes and providing outstanding client satisfaction. Centric Health's vision is to be Canada's most respected brand in the independent healthcare sector and world renowned for quality, innovation and for delivering sustainable value to patients, clients and stakeholders. With national networks of facilities in each of its core businesses of Specialty Pharmacy and Surgical Centres, deep knowledge and experience of healthcare delivery and extensive, trusted relationships with payers, physicians, and government agencies, the Company is uniquely positioned to address current and future healthcare needs in growing markets as the Canadian healthcare industry continues to evolve over the long term.

This press release contains statements that may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. These forward-looking statements include, among others, statements specifically related to the intention to purchase Notes, payment of the Offer Price, the intention to solicit consents to the Amendments, the impact of the proposed Amendments, the anticipated use of any Excess Proceeds remaining following completion of the Offer to Purchase, and statements regarding business strategy, plans and other expectations, beliefs, goals, objectives, information and statements about possible future events. Readers are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements are based on current expectations, estimates and assumptions that involve a number of risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by Centric Health and described in the forward-looking statements contained in this press release. No assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do so, what benefits Centric Health will derive therefrom.

SOURCE Centric Health Corporation

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For further information: Daniel Gagnon, Chief Financial Officer, Centric Health, 416-619-9417, daniel.gagnon@centrichealth.ca; Lawrence Chamberlain, Investor Relations, NATIONAL Equicom, 416-848-1457, lchamberlain@national.ca; Yves Locas, National

Bank Financial, 416-896-8638, yves.locas@nbc.ca; Kevin Lind, National Bank Financial, 416-869-8634, kevin.lind@nbc.ca

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