Centric Health Announces Intention to Purchase 6.75% October 2017 Convertible Notes by Way of Normal Course Issuer Bid

TORONTO, Dec. 20, 2016 /CNW/ - Centric Health Corporation ("Centric Health" or "the Company") (TSX: CHH), Canada's leading diversified healthcare services company, today announced it intends to purchase through the facilities of the Toronto Stock Exchange ("TSX") for cancellation up to $2.75 million principal amount, representing 10% of the $27.5 million principal amount issued and outstanding at the date hereof of its Unsecured Subordinated Convertible Notes maturing on October 31, 2017 bearing interest at 6.75% (the "October 2017 Notes") (TSX:CHH.NT) by way of normal course issuer bid ("NCIB"). The NCIB has received TSX approval and will commence on December 23, 2016 and expire on October 30, 2017 unless terminated earlier by the Company. The Company intends to carry out the NCIB pursuant to an automatic purchase plan.

"Our intention to purchase the October 2017 Notes under an NCIB represents the next step in our strategy to simplify our balance sheet and reduce our cost of finance through refinancing, redemption and/or extending debt maturities," said David Cutler, President and Chief Executive Officer of Centric Health. "The proposed purchase of the October 2017 Notes will further reduce our interest expense going forward, generating additional free cash flow to invest in our growth opportunities and drive long-term shareholder value."

The consideration that the Company will pay for any October 2017 Notes it acquires under the NCIB will be in cash at such price or prices as may be determined by the board of directors of the Company or as the board of directors of the Company may delegate from time to time and in accordance with the rules of the TSX.

Under TSX rules, the Company will be allowed to purchase daily, through the facilities of the TSX, a maximum of $10,566.93 principal amount of the October 2017 Notes representing 25% of the average daily trading volume, as calculated per the TSX rules for the most recently completed six calendar months.

To the knowledge of Centric Health, no director, senior officer or associate of a director or senior officer of Centric Health, person acting jointly or in concert with Centric Health, or person holding 10% or more of any class of equity securities of Centric Health currently intends to sell any October 2017 Notes under the NCIB.

Since the beginning of 2016, Centric Health has reduced its outstanding debt by $219.4 million, significantly improving its leverage ratios, resulting in an expected interest expense saving of $19.6 million annually.

About Centric Health

Centric Health's vision is to be Canada's most respected provider and brand in the independent healthcare sectors in which it operates, world renowned for delivering the highest levels of quality care and outcomes, innovative solutions and value to patients, clients and stakeholders. To this end, Centric Health primarily focuses on two core healthcare businesses:

- The *Specialty Pharmacy* division is composed of a growing national network of fulfilment centres that offer high-volume solutions for the cost effective supply of chronic medication and other specialty clinical services, serving more than 27,500 residents in over 375 seniors communities (long term care facilities, retirement homes and assisted living facilities) nationally. The Specialty Pharmacy division also provides pharmaceutical dispensing services for employees insured by corporate health plans.

- The *Surgical & Medical Centres* division is Canada's largest independent surgical provider operating six facilities across four provinces. It serves a diversified customer base with private paid non-insured surgeries and diagnostics, government outsourcing of insured surgeries and diagnostics and other procedures funded by third-party payors (including Workers Compensation) and is the proud owner of Canada's first Centre of Excellence in Metabolic and Bariatric Surgery.

With national networks of facilities in each of its businesses, 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 medium to 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 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 there-from.

SOURCE Centric Health Corporation

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