

SELECT MEDICAL HOLDINGS CORP

Form S-4/A

July 28, 2006

Table of Contents

As filed with the Securities and Exchange Commission on July 28, 2006

Registration No. 333-133284

**SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

**AMENDMENT NO. 4 TO
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

SELECT MEDICAL HOLDINGS CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

8060
*(Primary Standard Industrial
Classification Code Number
of each Registrant)*

20-1764048
*(I.R.S. Employer
Identification No.)*

**4716 Old Gettysburg Road, P.O. Box 2034
Mechanicsburg, Pennsylvania 17055
(717) 972-1100**
*(Address, Including Zip Code, and Telephone Number, Including Area Code, of each Registrant's Principal Executive
Offices)*

**Michael E. Tarvin, Esq.
Select Medical Holdings Corporation
4716 Old Gettysburg Road, P.O. Box 2034
Mechanicsburg, Pennsylvania 17055
(717) 972-1100**
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

with a copy to:
**Carmen J. Romano, Esq.
Dechert LLP
Cira Centre
2929 Arch Street
Philadelphia, PA 19104-2808
(215) 994-4000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the Securities Act), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION DATED JULY 28, 2006

PROSPECTUS

**Select Medical Holdings Corporation
Offer to Exchange**

\$175,000,000 principal amount of our Senior Floating Rate Notes due 2015, which have been registered under the Securities Act, for our outstanding Senior Floating Rate Notes due 2015

We are offering to exchange new Senior Floating Rate Notes due 2015, or the senior floating rate exchange notes, for our currently outstanding Senior Floating Rate Notes due 2015, or the outstanding senior floating rate notes. We refer to the outstanding senior floating rate notes as the outstanding notes, the senior floating rate exchange notes as the exchange notes, and the outstanding notes and the exchange notes collectively as the notes. The exchange notes are substantially identical to the outstanding notes, except that the exchange notes have been registered under the federal securities laws, are not subject to transfer restrictions and are not entitled to certain registration rights relating to the outstanding notes. The exchange notes will represent the same debt as the outstanding notes and we will issue the exchange notes under the same indenture as the outstanding notes.

The principal features of the exchange offer are as follows:

The exchange offer expires at 5:00 p.m., New York City time, on _____, 2006, unless extended. We do not currently intend to extend the expiration date of the exchange offer.

The exchange offer is not subject to any condition other than that the exchange offer not violate applicable law or any applicable interpretation of the Staff of the Securities and Exchange Commission.

We will exchange the exchange notes for all outstanding notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer.

You may withdraw tendered outstanding notes at any time prior to the expiration of the exchange offer.

We do not intend to apply for listing of the exchange notes on any securities exchange or automated quotation system.

We will not receive any proceeds from the exchange offer. We will pay all expenses incurred by us in connection with the exchange offer and the issuance of the exchange notes.

You should consider carefully the risk factors beginning on page 13 of this prospectus before participating in the exchange offer.

Neither the U.S. Securities and Exchange Commission nor any other federal or state agency has approved or disapproved of these securities to be distributed in the exchange offer, nor have any of these organizations determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is _____, 2006.

TABLE OF CONTENTS

	Page
<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	13
<u>Industry and Market Data</u>	25
<u>Forward Looking Statements</u>	25
<u>The Exchange Offer</u>	27
<u>The Transactions</u>	34
<u>Use of Proceeds</u>	36
<u>Capitalization</u>	36
<u>Selected Historical Consolidated Financial Data</u>	37
<u>Unaudited Pro Forma Condensed Consolidated Financial Information</u>	39
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	43
<u>Our Business</u>	70
<u>Management</u>	91
<u>Security Ownership of Certain Beneficial Owners and Management</u>	100
<u>Certain Relationships and Related Transactions</u>	103
<u>Description of Certain Other Indebtedness</u>	106
<u>Description of the Exchange Notes</u>	110
<u>Material U.S. Federal Income Tax Considerations</u>	156
<u>Plan of Distribution</u>	160
<u>Legal Matters</u>	160
<u>Experts</u>	160
<u>Available Information</u>	160
<u>Index to Consolidated Financial Statements</u>	F-1
<u>Consent of PricewaterhouseCoopers LLP</u>	

Table of Contents

PROSPECTUS SUMMARY

The following summary contains basic information about us and this offering. It is likely that this summary does not contain all of the information that is important to you. You should read the entire offering memorandum, including the risk factors and the financial statements and related notes included elsewhere herein, before making an investment decision.

*Unless otherwise indicated or unless the context otherwise requires, the term **Holdings** refers to Select Medical Holdings Corporation, the term **Select** refers to Select Medical Corporation (a wholly-owned subsidiary of Holdings) and the terms **our company**, **us**, **we** and **our** refer to Holdings together with Select and its subsidiaries.*

The Exchange Offer

On September 29, 2005, we completed a private offering of \$175.0 million in aggregate principal amount of senior floating rate notes due 2015, referred to in this prospectus as the outstanding notes. We entered into an exchange and registration rights agreement with the initial purchasers in the private offering in which we agreed, among other things, to file the registration statement of which this prospectus forms a part within 205 days of the issuance of the outstanding notes. You are entitled to exchange in this exchange offer your outstanding notes for floating rate subordinated notes due 2015 (referred to in this prospectus as the exchange notes), which have been registered under the federal securities laws and have substantially identical terms as the outstanding notes, except for the elimination of certain transfer restrictions and registration rights. You should read the discussion under the heading **Summary Description of the Exchange Notes** and **Description of the Exchange Notes** for further information regarding the exchange notes.

Our Business

Company Overview

We are a leading operator of specialty hospitals and outpatient rehabilitation clinics in the United States. As of March 31, 2006, we operated 97 long-term acute care hospitals in 26 states, four acute medical rehabilitation hospitals, which are certified by Medicare as inpatient rehabilitation facilities, in New Jersey, and 613 outpatient rehabilitation clinics in 24 states and the District of Columbia. We also provide medical rehabilitation services on a contract basis at nursing homes, hospitals, assisted living and senior care centers, schools and worksites. We began operations in 1997 under the leadership of our current management team, including our co-founders, Rocco A. Ortenzio and Robert A. Ortenzio, both of whom have significant experience in the healthcare industry. Under this leadership, we have grown our business through internal development initiatives and strategic acquisitions. For the combined twelve months ended December 31, 2005, we had net operating revenues of \$1,858.4 million, income from operations of \$119.1 million and a net loss of \$27.9 million. For the three months ended March 31, 2006, we had net operating revenues of \$479.7 million, income from operations of \$66.5 million and net income of \$28.2 million.

We manage our company through two business segments, our specialty hospital segment and our outpatient rehabilitation segment. For the three months ended March 31, 2006, approximately 75% of our net operating revenues were from our specialty hospitals and approximately 25% were from our outpatient rehabilitation business.

The Merger Transactions

On February 24, 2005, EGL Acquisition Corp. was merged with and into Select, with Select continuing as the surviving corporation and a wholly-owned subsidiary of Holdings (the **Merger**). Holdings was formerly known as EGL Holding Company. Holdings and EGL Acquisition Corp. were Delaware corporations formed by Welsh, Carson, Anderson & Stowe IX, LP (**Welsh Carson**), for purposes of engaging in the Merger and the related transactions. The Merger was completed pursuant to an agreement and plan of merger, dated as of October 17, 2004, among EGL Acquisition Corp., Holdings and Select. The Merger and related transactions are collectively referred to in this prospectus as the **Transactions**.

Table of Contents

As a result of the Transactions, our assets and liabilities have been adjusted to their fair value as of February 25, 2005. We have also experienced an increase in our aggregate outstanding indebtedness as a result of financing associated with the Transactions. Accordingly, our amortization expense and interest expense are higher in periods following the Transactions. The excess of the total purchase price over the fair value of our tangible and identifiable intangible assets of \$1.4 billion has been allocated to goodwill, which will be the subject of an annual impairment test.

Corporate Information

Holdings is a corporation organized under the laws of the State of Delaware. Our principal executive offices are located at 4716 Old Gettysburg Road, P.O. Box 2034, Mechanicsburg, Pennsylvania 17055. Our telephone number at our principal executive offices is (717) 972-1100. Our company's website can be located at www.selectmedicalcorp.com. The information on our company's website is not part of this prospectus.

Table of Contents

Summary of the Terms of the Exchange Offer

On September 29, 2005, we completed an offering of \$175.0 million in aggregate principal amount of senior floating rate notes due 2015, which was exempt from registration under the Securities Act.

We sold the outstanding notes to certain initial purchasers, who subsequently resold the outstanding notes to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act.

In connection with the sale of the outstanding notes, we entered into an exchange and registration rights agreement with the initial purchasers of the outstanding notes. Under the terms of that agreement, we agreed to use commercially reasonable efforts to consummate the exchange offer contemplated by this prospectus.

If we are not able to effect the exchange offer contemplated by this prospectus, we will use commercially reasonable efforts to file and cause to become effective a shelf registration statement relating to the resales of the outstanding notes.

The following is a brief summary of the terms of the exchange offer. For a more complete description of the exchange offer, see The Exchange Offer.

Securities Offered \$175,000,000 in aggregate principal amount of senior floating rate notes due 2015.

Exchange Offer

The exchange notes are being offered in exchange for a like principal amount of outstanding notes. We will accept any and all outstanding notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on _____, 2006. Holders may tender some or all of their outstanding notes pursuant to the exchange offer. However, each of the outstanding notes may be tendered only in integral multiples of \$1,000 in principal amount. The form and terms of each of the exchange notes are the same as the form and terms of each of the outstanding notes except that:

the exchange notes have been registered under the federal securities laws and will not bear any legend restricting their transfer;

each of the exchange notes bear different CUSIP numbers than the applicable outstanding notes; and

the holders of the exchange notes will not be entitled to certain rights under the exchange and registration rights agreement, including the provisions for an increase in the interest rate on the applicable outstanding notes in some circumstances.

Resale

Based on an interpretation by the Staff of the SEC set forth in no-action letters issued to third parties, we believe that the exchange notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act provided that:

you are acquiring the exchange notes in the ordinary course of your business;

you have not participated in, do not intend to participate in, and have no arrangement or understanding with any person to participate in the distribution of exchange notes; and

you are not an affiliate of Holdings, within the meaning of Rule 405 of the Securities Act.

Each participating broker-dealer that receives exchange notes for its own account during the exchange offer in exchange for out-

Table of Contents

standing notes that were acquired as a result of market-making or other trading activity must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. Prospectus delivery requirements are discussed in greater detail in the section captioned Plan of Distribution. Any holder of outstanding notes who:

is an affiliate of Holdings,

does not acquire exchange notes in the ordinary course of its business, or

tenders in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of exchange notes,

cannot rely on the aforementioned position of the Staff of the SEC enunciated in Exxon Capital Holdings Corporation, Morgan Stanley & Co. Incorporated or similar no-action letters and, in the absence of an exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the exchange notes.

Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time on _____, 2006 unless we decide to extend the exchange offer. We may extend the exchange offer for the outstanding notes. Any outstanding notes not accepted for exchange for any reason will be returned without expense to the tendering holders promptly after expiration or termination of the exchange offer.

Conditions to the Exchange Offer

The exchange offer is not subject to any condition other than that the exchange offer not violate applicable law or any applicable interpretation of the Staff of the Securities and Exchange Commission.

Procedures for Tendering Outstanding Notes

If you wish to accept the exchange offer, you must complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal, in accordance with the instructions contained in this prospectus and in the letter of transmittal. You should then mail or otherwise deliver the letter of transmittal, or facsimile, together with the outstanding notes to be exchanged and any other required documentation, to the exchange agent at the address set forth in this prospectus and in the letter of transmittal. If you hold outstanding notes through The Depository Trust Company, or DTC, and wish to participate in the exchange offer, you must comply with the Automated Tender Offer Program procedures of DTC, by which you will agree to be bound by the applicable letter of transmittal.

By executing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

any exchange notes to be received by you will be acquired in the ordinary course of business;

you have no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of exchange notes in violation of the provisions of the Securities Act;

Table of Contents

you are not an affiliate (within the meaning of Rule 405 under the Securities Act) of Holdings, or if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act; and

if you are a broker-dealer that will receive exchange notes for your own account in exchange for applicable outstanding notes that were acquired as a result of market-making or other trading activities, then you will deliver a prospectus in connection with any resale of such exchange notes.

See The Exchange Offer Procedures for Tendering and Plan of Distribution.

Effect of Not Tendering in the Exchange Offer

Any outstanding notes that are not tendered or that are tendered but not accepted will remain subject to the restrictions on transfer. Since the outstanding notes have not been registered under the federal securities laws, they bear a legend restricting their transfer absent registration or the availability of a specific exemption from registration. Upon the completion of the exchange offer, we will have no further obligations to register, and we do not currently anticipate that we will register, the outstanding notes not exchanged in this exchange offer under the Securities Act.

Special Procedures for Beneficial Owners

If you are a beneficial owner of outstanding notes that are not registered in your name, and you wish to tender outstanding notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the applicable letter of transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder.

Guaranteed Delivery Procedures

If you wish to tender your outstanding notes and your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the applicable letter of transmittal or any other documents required by the applicable letter of transmittal or comply with the applicable procedures under DTC's Automated Tender Offer Program prior to the expiration date, you must tender your outstanding notes according to the guaranteed delivery procedures set forth in this prospectus under The Exchange Offer Guaranteed Delivery Procedures.

Interest on the Exchange Notes and the Outstanding Notes

The exchange notes will bear interest at their respective interest rates from the most recent interest payment date to which interest has been paid on the outstanding notes. Interest on the outstanding notes accepted for exchange will cease to accrue upon the issuance of the exchange notes.

Withdrawal Rights

Tenders of outstanding notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date.

Material United States Federal Income Tax Considerations

The exchange of outstanding notes for exchange notes in the exchange offer is not a taxable event for U.S. federal income tax

Table of Contents

purposes. Please read the section of this prospectus captioned "Material U.S. Federal Income Tax Considerations" for more information on tax consequences of the exchange offer.

Use of Proceeds

We will not receive any cash proceeds from the issuance of exchange notes pursuant to the exchange offer.

Exchange Agent

U.S. Bank Trust National Association, the trustee under the indenture governing the outstanding notes, is serving as exchange agent in connection with the exchange offer. The address and telephone number of the exchange agent are set forth under the heading "The Exchange Offer - Exchange Agent."

Table of Contents

Summary Description of the Exchange Notes

The brief summary below describes the principal terms of the exchange notes. The Description of the Exchange Notes section of this prospectus contains a more detailed description of the terms of the exchange notes.

Issuer	Select Medical Holdings Corporation.
Exchange notes	\$175,000,000 in aggregate principal amount of senior floating rate notes due 2015.
Maturity date	September 15, 2015.
Interest rate	The notes bear interest at a rate per annum, reset semi-annually on each of the interest payment dates, equal to LIBOR plus 5.75%, as determined by the calculation agent appointed by us, the initial trustee. According to this formula, the current interest rate on the notes is 10.82%. Interest on overdue principal accrues at a rate that is 1% higher than the then applicable interest rate on the notes.
Interest payment dates	March 15 and September 15.
Optional redemption	We may redeem some or all of the notes prior to September 15, 2009 at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and a make-whole premium. Thereafter, we may redeem some or all of the notes at the redemption prices set forth in this prospectus. See Description of the Exchange Notes Optional Redemption.
Equity offering optional redemption	At any time before September 15, 2008, we may redeem either all remaining outstanding notes or up to 35% of the aggregate principal amount of the notes at 100% of the aggregate principal amount so redeemed plus a premium equal to the interest rate per annum of the notes applicable on the date on which the notice of redemption is given, plus accrued and unpaid interest, with the proceeds of one or more equity offerings or equity contributions to the equity capital of Holdings from the net proceeds of one or more equity offerings by any direct or indirect parent of Holdings, provided that either no notes remain outstanding immediately following such redemption or at least 65% of the originally issued aggregate principal amount of the notes remains outstanding after such redemption and the redemption occurs within 90 days of the date of the closing of such equity offering or equity contribution.
Change of control	Upon the occurrence of certain change of control events, we will be required to offer to repurchase all or a portion of the notes at a purchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest. See Description of the Exchange Notes Repurchase at the Option of Holders Change of Control.
Guarantees	The notes are not guaranteed by any of our subsidiaries.
Ranking	The notes are Holdings unsecured senior obligations and: <ul style="list-style-type: none"> rank equally in right of payment to all of its future senior indebtedness; rank senior in right of payment to all of its existing and future senior subordinated indebtedness and subordinated indebtedness, including Holdings existing

10% senior subordinated notes due 2015;

Table of Contents

are effectively subordinated in right of payment to its secured debt to the extent of the value of the assets securing such debt; and

are structurally subordinated to all liabilities and other obligations (including preferred stock) of its current and future subsidiaries, including Select.

As of March 31, 2006, Holdings, on an unconsolidated basis, had total outstanding debt of \$325.0 million (excluding Holdings' guarantee of the indebtedness under Select's existing senior secured credit facility), \$150.0 million of which was subordinated to the notes. As of March 31, 2006, Holdings had no other debt that was pari passu with the notes.

Holdings is a guarantor of Select's existing senior secured credit facility and has pledged 100% of the capital stock of Select to secure such guarantee.

Holders of the notes will only be creditors of Holdings, and not of its subsidiaries. As a result, all the existing and future liabilities and other obligations of its subsidiaries, including Select, and including any claims of trade creditors and preferred stockholders of such subsidiaries, will be effectively senior to the notes. The total consolidated balance sheet liabilities of Select and its subsidiaries, as of March 31, 2006, were \$1,601.1 million, of which \$1,263.4 million constituted indebtedness (excluding \$22.5 million of letters of credit), including \$602.2 million of indebtedness under Select's existing senior secured credit facility and \$660.0 million of Select's existing 78% senior subordinated notes due 2015.

Holdings has guaranteed 100% of Select's obligations under its existing senior credit facility, or \$602.2 million as of March 31, 2006. As of such date, Select also would have been able to borrow up to an additional \$249.5 million under Select's existing senior secured credit facility (after giving effect to the \$22.5 million of letters of credit then outstanding). Holdings and its restricted subsidiaries may incur additional debt in the future, including under Select's existing senior secured credit facility.

Certain covenants

The indenture governing the notes contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

incur additional indebtedness and issue or sell preferred stock,

pay dividends on, redeem or repurchase our capital stock,

make certain investments,

create certain liens,

sell certain assets,

incur obligations that restrict the ability of our subsidiaries to make dividend or other payments to us,

guarantee indebtedness,

engage in transactions with affiliates,

create or designate unrestricted subsidiaries, and

Table of Contents

consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

As of March 31, 2006, all of our subsidiaries were restricted subsidiaries, as defined in the indenture. These covenants are subject to important exceptions and qualifications. See Risk Factors Risks Related to the Notes and Description of the Exchange Notes.

No established market for the exchange notes

The exchange notes generally will be freely transferable but will also be new securities for which there will not initially be a market. Accordingly, we cannot assure you that a market for the exchange notes will develop or make any representation as to the liquidity of any market. We do not intend to apply for the listing of the exchange notes on any securities exchange or automated dealer quotation system. The initial purchasers advised us that they intend to make a market in the exchange notes. However, they are not obligated to do so, and any market making with respect to the exchange notes may be discontinued at any time without notice. We believe it is unlikely that a significant market for the notes will develop. See Plan of Distribution.

Tax consequences

For a discussion of certain U.S. federal income tax consequences of an investment in the exchange notes, see Material U.S. Federal Income Tax Considerations. You should consult your own tax advisor to determine the federal, state, local and other tax consequences of an investment in the exchange notes.

Risk factors

See Risk Factors beginning on page 13 of this prospectus for a discussion of factors you should carefully consider before deciding to invest in the exchange notes.

Table of Contents**Summary Consolidated Financial and Other Data**

You should read the summary consolidated financial and other data below in conjunction with our consolidated financial statements and the accompanying notes and Unaudited Pro Forma Condensed Consolidated Financial Information. All of these materials are contained later in this prospectus. The data for the years ended December 31, 2003 and 2004, for the period from January 1, 2005 through February 24, 2005 (the Predecessor), and for the period from February 25, 2005 through December 31, 2005 (the Successor) have been derived from our audited consolidated financial statements. We derived the historical financial data for the period from February 25, 2005 through March 31, 2005 and for the three months ended March 31, 2006 from our unaudited interim consolidated financial statements. You should also read Selected Financial Data and the accompanying Management's Discussion and Analysis of Financial Condition and Results of Operations. The unaudited pro forma condensed consolidated statement of operations data for the year ended December 31, 2005 present results of operations before cumulative effects of accounting changes and are pro forma for the Transactions as if the Transactions had been completed on January 1, 2005, and then applies certain pro forma adjustments to give effect to the sale of the old notes as of January 1, 2005. By definition, the Predecessor and Successor results are not comparable due to the Merger and the resulting change in basis.

		Predecessor			Successor		
		Period from	Period from	2005 Pro	Period from	Three	
Year Ended	December 31,	January 1, through February 24,	February 25, through December 31,	Forma Year Ended December 31,	February 25, through March 31,	Months Ended March 31,	
2003	2004	2005	2005	2005	2005	2006	

(In thousands)

Statement of Operations Data:							
Net operating revenues	\$ 1,341,657	\$ 1,601,524	\$ 277,736	\$ 1,580,706	\$ 1,858,442	\$ 188,386	\$ 479,743
Operating expenses(1)(2)	1,165,814	1,340,068	373,418	1,322,068	1,695,486	153,749	402,397
Depreciation and amortization	33,663	38,951	5,933	37,922	44,537	4,126	10,895
Income (loss) from operations	142,180	222,505	(101,615)	220,716	118,419	30,511	66,451
Loss on early retirement of debt(3)			(42,736)		(42,736)		
Merger related charges(4)			(12,025)		(12,025)		
Equity in income from joint ventures	824						
Other income		1,096	267	1,092	1,359	103	
Interest expense, net(5)	(24,499)	(30,716)	(4,128)	(101,441)	(133,919)	(10,967)	(32,659)

Income (loss) from continuing operations before minority interests and income taxes	118,505	192,885	(160,237)	120,367	(68,902)	19,647	33,792
Minority interests(6)	1,661	2,608	330	1,776	2,106	302	391
Income (loss) from continuing operations before income taxes	116,844	190,277	(160,567)	118,591	(71,008)	19,345	33,401
Income tax provision (benefit)	46,238	76,551	(59,794)	49,336	(22,536)	7,853	15,230
Income (loss) from continuing operations	70,606	113,726	(100,773)	69,255	\$ (48,472)	11,492	18,171
Income from discontinued operations, net	3,865	4,458	522	3,072		672	10,018
Net income (loss)	74,471	118,184	(100,251)	72,327		12,164	28,189
Less: Preferred stock dividends				23,519		2,924	5,488
Net income (loss) available to common stockholders	\$ 74,471	\$ 118,184	\$ (100,251)	\$ 48,808		\$ 9,240	\$ 22,701

Table of Contents

	Predecessor		Successor			
	Year Ended December 31,		Period from January 1, through February 24, 2005	Period from February 25, through December 31, 2005	Period from February 25, through March 31, 2005	Three Months Ended March 31, 2006
	2003	2004				
(In thousands)						
Other Financial Data:						
Capital expenditures	\$ 35,852	\$ 32,626	\$ 2,586	\$ 107,360	\$ 1,112	\$ 38,386
Cash Flow Data:						
Net cash provided by operating activities	\$ 246,248	\$ 174,276	\$ 19,056	\$ 38,155	\$ (191,971)	\$ (5,578)
Net cash used in investing activities	(261,452)	(28,959)	(110,757)	(110,054)	(3,339)	36,734
Net cash provided by (used in) financing activities	124,318	(63,959)	94	(48,604)	58,828	(53,201)
Balance Sheet Data (at end of period):						
Cash and cash equivalents	\$ 165,507	\$ 247,476		\$ 35,861	\$ 19,343	\$ 13,851
Working capital	188,380	313,715		77,556	157,071	65,809
Total assets	1,078,998	1,113,721		2,168,385	2,160,723	2,135,287
Total debt	367,503	354,590		1,628,889	1,580,824	1,570,327
Total stockholders equity	419,175	515,943				