Zakharia Youssef
Form 4
November 04, 2011

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Zakharia Youssef

(Last) (First) (Middle)

C/O FRESH DEL MONTE PRODUCE INC., P.O. BOX 14922

(Street)

CORAL GABLES, FL 33114

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
FRESH DEL MONTE PRODUCE INC [FDP]

3. Date of Earliest Transaction (Month/Day/Year)
11/02/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
V.P. Middle East and N. Africa

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying	8. Pri Deriv

Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)		Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		Securities (Instr. 3 and 4)		Secur (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Stock Units (1)	$ 24.68	11/02/2011		A		5,000		(1)	(2)	Ordinary Shares	5,000	$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Zakharia Youssef C/O FRESH DEL MONTE PRODUCE INC. P.O. BOX 14922 CORAL GABLES, FL 33114			V.P. Middle East and N. Africa	

Signatures

/s/ Bruce Jordan, Attorney-in-fact for Youssef Zakharia	11/04/2011
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Restricted Stock Units (RSUs) granted under the Fresh Del Monte Produce Inc. 2011 Omnibus Share Incentive Plan. Each RSU represents a contingent right to receive one ordinary share of FDP. The RSUs are subject to meeting minimum performance criteria set by the Compensation Committee of the Board of Directors of FDP. Provided such criteria are met, the RSU will vest in three equal annual installments on each of 11/2/2012, 11/2/2013 and 11/2/2014.

(2) RSUs do not have an expiration date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Revenue

$616,813 $365,783

The following tables present a summary of our aging of accounts receivable as of March 31, 2016 and December 31, 2015:

March 31, 2016					
	Current	**30-90**	**90-150**	**>150**	**Total**
Commercial	15.7%	6.9%	2.9%	3.5%	29.0%
Medicare	10.5%	1.7%	0.7%	1.2%	14.1%
Medicaid	20.7%	5.9%	2.1%	3.7%	32.4%
NHS	12.0%	3.7%	0.2%	%	15.9%
Self-Pay	2.2%	1.9%	1.3%	2.1%	7.5%
Other	0.5%	0.3%	0.2%	0.1%	1.1%
Total	61.6%	20.4%	7.4%	10.6%	100.0%

December 31, 2015					
	Current	**30-90**	**90-150**	**>150**	**Total**
Commercial	16.6%	9.1%	3.2%	3.0%	31.9%
Medicare	12.6%	2.3%	1.2%	0.4%	16.5%
Medicaid	23.4%	6.7%	2.8%	4.2%	37.1%
NHS	1.6%	3.1%	0.5%	%	5.2%
Self-Pay	1.7%	1.8%	2.0%	3.0%	8.5%
Other	0.5%	0.1%	0.1%	0.1%	0.8%
Total	56.4%	23.1%	9.8%	10.7%	100.0%

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Results of Operations

The following table illustrates our consolidated results of operations from continuing operations for the respective periods shown (dollars in thousands):

	Three Months Ended March 31,			
	2016		2015	
	Amount	%	Amount	%
Revenue before provision for doubtful accounts	$ 627,183		$ 374,158	
Provision for doubtful accounts	(10,370)		(8,375)	
Revenue	616,813	100.0%	365,783	100.0%
Salaries, wages and benefits	341,028	55.3%	205,871	56.3%
Professional fees	39,991	6.5%	22,427	6.1%
Supplies	26,685	4.3%	16,254	4.4%
Rents and leases	14,806	2.4%	5,886	1.6%
Other operating expenses	70,247	11.4%	40,527	11.1%
Depreciation and amortization	27,975	4.5%	13,104	3.6%
Interest expense	37,714	6.1%	22,146	6.1%
Gain on foreign currency derivatives	(410)	(0.1)%	(53)	%
Transaction-related expenses	26,298	4.3%	18,416	5.0%
Total expenses	584,334	94.7%	344,578	94.2%
Income from continuing operations before income taxes	32,479	5.3%	21,205	5.8%
Provision for income taxes	7,110	1.2%	6,613	1.8%
Income from continuing operations	$ 25,369	4.1%	$ 14,592	4.0%

Three months ended March 31, 2016 compared to the three months ended March 31, 2015

Revenue before provision for doubtful accounts. Revenue before provision for doubtful accounts increased $253.0 million, or 67.6%, to $627.2 million for the three months ended March 31, 2016 from $374.2 million for the three months ended March 31, 2015. The increase related primarily to revenue generated during the three months ended March 31, 2016 from the facilities acquired in our 2015 and 2016 Acquisitions, particularly the acquisitions of CRC and Priory. Same-facility revenue before provision for doubtful accounts increased by $32.8 million, or 8.9%, for the three months ended March 31, 2016 compared to the three months ended March 31, 2015, resulting from same-facility growth in patient days of 8.6% and an increase in same-facility revenue per day of 0.5%. Consistent with the same-facility patient day growth in 2015, the growth in same-facility patient days for the three months ended March 31, 2016 compared to the three months ended March 31, 2015 resulted from the addition of beds to our existing facilities and ongoing demand for our services.

Provision for doubtful accounts. The provision for doubtful accounts was $10.4 million for the three months ended March 31, 2016, or 1.7% of revenue before provision for doubtful accounts, compared to $8.4 million for the three months ended March 31, 2015, or 2.2% of revenue before provision for doubtful accounts.

Salaries, wages and benefits. Salaries, wages and benefits (SWB) expense was $341.0 million for the three months ended March 31, 2016 compared to $205.9 million for the three months ended March 31, 2015, an increase of $135.1 million. SWB expense included $7.0 million and $3.9 million of equity-based compensation expense for the three months ended March 31, 2016 and 2015, respectively. Excluding equity-based compensation expense, SWB expense was $334.0 million, or 54.2% of revenue, for the three months ended March 31, 2016, compared to $202.0 million, or 55.2% of revenue, for the three months ended March 31, 2015. The $132.0 million increase in SWB expense, excluding equity-based compensation expense, was primarily attributable to SWB expense incurred by the facilities acquired in our 2015 and 2016 Acquisitions, particularly the acquisitions of CRC and Priory. Same-facility SWB expense was $198.5 million for the three months ended March 31, 2016, or 50.7% of revenue, compared to $184.5 million for the three months ended March 31, 2015, or 51.5% of revenue.

Professional fees. Professional fees were $40.0 million for the three months ended March 31, 2016, or 6.5% of revenue, compared to $22.4 million for the three months ended March 31, 2015, or 6.1% of revenue. The $17.6 million increase was primarily attributable to professional fees incurred by the facilities acquired in our 2015 and 2016 Acquisitions, particularly the acquisitions of

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CRC and Priory. Same-facility professional fees were $19.9 million for the three months ended March 31, 2016, or 5.1% of revenue, compared to $19.4 million, for the three months ended March 31, 2015, or 5.4% of revenue.

Supplies. Supplies expense was $26.7 million for the three months ended March 31, 2016, or 4.3% of revenue, compared to $16.3 million for the three months ended March 31, 2015, or 4.4% of revenue. The $10.4 million increase was primarily attributable to supplies expense incurred by the facilities acquired in our 2015 and 2016 Acquisitions, particularly the acquisitions of CRC and Priory. Same-facility supplies expense was $17.7 million for the three months ended March 31, 2016, or 4.5% of revenue, compared to $16.0 million for the three months ended March 31, 2015, or 4.5% of revenue.

Rents and leases. Rents and leases were $14.8 million for the three months ended March 31, 2016, or 2.4% of revenue, compared to $5.9 million for the three months ended March 31, 2015, or 1.6% of revenue. The $8.9 million increase was primarily attributable to rents and leases incurred by the facilities acquired in our 2015 and 2016 Acquisitions, particularly the acquisitions of CRC and Priory. Same-facility rents and leases were $6.1 million for the three months ended March 31, 2016, or 1.6% of revenue, compared to $5.6 million for the three months ended March 31, 2015, or 1.6% of revenue.

Other operating expenses. Other operating expenses consisted primarily of purchased services, utilities, insurance, travel and repairs and maintenance expenses. Other operating expenses were $70.2 million for the three months ended March 31, 2016, or 11.4% of revenue, compared to $40.5 million for the three months ended March 31, 2015, or 11.1% of revenue. The $29.7 million increase was primarily attributable to other operating expenses incurred by the facilities acquired in our 2015 and 2016 Acquisitions, particularly the acquisitions of CRC and Priory. Same-facility other operating expenses were $43.1 million for the three months ended March 31, 2016, or 11.0% of revenue, compared to $38.8 million for the three months ended March 31, 2015, or 10.8% of revenue.

Depreciation and amortization. Depreciation and amortization expense was $28.0 million for the three months ended March 31, 2016, or 4.5% of revenue, compared to $13.1 million for the three months ended March 31, 2015, or 3.6% of revenue. The increase in depreciation and amortization was attributable to depreciation associated with capital expenditures during 2015 and 2016 and real estate acquired as part of the 2015 and 2016 Acquisitions, particularly the acquisition of Priory.

Interest expense. Interest expense was $37.7 million for the three months ended March 31, 2016 compared to $22.1 million for the three months ended March 31, 2015. The increase in interest expense was primarily a result of borrowings under the Amended and Restated Senior Credit Facility, the issuance of the 5.625% Senior Notes on February 11, 2015 and September 21, 2015 and the issuance of the 6.500% Senior Notes on February 16, 2016.

Gain on foreign currency derivatives. In connection with acquisitions in the United Kingdom, the Company entered into foreign currency forward contracts during the three months ended March 31, 2016 and 2015 in order to fix the exchange rate applicable to the payment of acquisition purchase prices. Exchange rate changes between the contract date and the settlement date resulted in a gain on foreign currency derivatives of $0.4 million for the three months ended March 31, 2016, compared to a gain of $0.1 million for the three months ended March 31, 2015.

Transaction-related expenses. Transaction-related expenses were $26.3 million for the three months ended March 31, 2016 compared to $18.4 million for the three months ended March 31, 2015. Transaction-related expenses represent costs incurred in the respective periods, primarily related to the 2015 and 2016 Acquisitions, as summarized below (in thousands):

	Three Months Ended March 31, 2016	2015
Advisory and financing commitment fees	$ 14,850	$ 10,337
Legal, accounting and other costs	11,448	3,819
Severance and contract termination costs		4,260
	$ 26,298	$ 18,416

Provision for income taxes. For the three months ended March 31, 2016, the provision for income taxes was $7.1 million, reflecting an effective tax rate of 21.9%, compared to $6.6 million, reflecting an effective tax rate of 31.2%, for the three months ended March 31, 2015. The decrease in the tax rate for the three months ended March 31, 2016 was primarily attributable to the acquisition of Priory, which is located in a lower taxing jurisdiction and for which earnings are permanently reinvested.

Liquidity and Capital Resources

Cash provided by continuing operating activities for the three months ended March 31, 2016 was $58.7 million compared to $18.1 million for the three months ended March 31, 2015. The increase in cash provided by continuing operating activities was

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primarily attributable to cash provided by continuing operating activities from the 2015 and 2016 Acquisitions and the growth in same-facility operations. Days sales outstanding were 35 days at March 31, 2016 compared to 40 days at December 31, 2015. As of March 31, 2016 and December 31, 2015, we had working capital of $(15.5) million and $4.5 million, respectively. The decrease in working capital was primarily attributable to the acquisition of Priory, which has negative working capital because of timing of revenue collections and expense payments.

Cash used in investing activities for the three months ended March 31, 2016 was $685.4 million compared to $104.6 million for the three months ended March 31, 2015. Cash used in investing activities for the three months ended March 31, 2016 primarily consisted of $580.1 million of cash paid for acquisitions. Cash paid for capital expenditures for the three months ended March 31, 2016 was $90.1 million, consisting of $18.1 million of routine capital expenditures and $72.0 million of expansion capital expenditures. We define expansion capital expenditures as those that increase the capacity of our facilities or otherwise enhance revenue. Routine or maintenance capital expenditures were 2.9% of revenue for the three months ended March 31, 2016. Cash paid for real estate acquisitions was $14.8 million for the three months ended March 31, 2016. Cash used in investing activities for the three months ended March 31, 2015 primarily consisted of $49.6 million of cash paid for acquisitions, $52.9 million of cash paid for capital expenditures and $1.7 million of cash paid for real estate acquisitions.

Cash provided by financing activities for the three months ended March 31, 2016 was $654.0 million compared to $32.6 million for the three months ended March 31, 2015. Cash provided by financing activities for the three months ended March 31, 2016 primarily consisted of long-term debt borrowings of $1.5 billion, borrowings on our revolving credit facility of $58.0 million and an issuance of common stock of $685.1 million, partially offset by repayment of assumed Priory debt of $1.3 billion, payment on revolving credit facility of $166.0 million, payment of debt issuance costs of $34.2 million, common stock withheld for minimum statutory taxes of $6.7 million and principal payments on long-term debt of $13.7 million. Cash provided by financing activities for the three months ended March 31, 2015 primarily consisted of borrowings on long-term debt instruments of $875.0 million, borrowings on our revolving credit facility of $93.0 million and an excess tax benefit from equity awards of $4.3 million, partially offset by repayment of assumed CRC debt of $904.5 million, payment of debt issuance costs of $22.2 million, principal payments on long-term debt of $7.9 million and common stock withheld for minimum statutory taxes of $5.1 million.

We had total available cash and cash equivalents of $36.6 million and $11.2 million as of March 31, 2016 and December 31, 2015, respectively, of which approximately $18.6 million and $9.2 million was held by our foreign subsidiaries, respectively. Our strategic plan does not require the repatriation of foreign cash in order to fund our operations in the U.S., and it is our current intention to permanently reinvest our foreign cash and cash equivalents outside of the U.S. If we were to repatriate foreign cash to the U.S., we would be required to accrue and pay U.S. taxes in accordance with applicable U.S. tax rules and regulations as a result of the repatriation.

Amended and Restated Senior Credit Facility

We entered into the Senior Secured Credit Facility on April 1, 2011. On December 31, 2012, we entered into the Amended and Restated Credit Agreement which amended and restated the Senior Secured Credit Facility. We have amended the Amended and Restated Credit Agreement from time to time as described in our prior filings with the Securities and Exchange Commission.

On February 6, 2015, we entered into the Seventh Amendment to our Amended and Restated Credit Agreement. The Seventh Amendment added Citibank, N.A. as an L/C Issuer under the Amended and Restated Credit Agreement in order to permit the rollover of CRC s existing letters of credit into the Amended and Restated Credit Agreement and increased both the Company s Letter of Credit Sublimit and Swing Line Sublimit to $20.0 million.

On February 11, 2015, we entered into the First Incremental Amendment to our Amended and Restated Credit Agreement. The First Incremental Amendment activated a new $500.0 million incremental Existing TLB Facility that was added to the Amended and Restated Senior Secured Credit Facility, subject to limited conditionality provisions. Borrowings under the Existing TLB Facility were used to fund a portion of the purchase price for our acquisition of CRC.

On April 22, 2015, we entered into an Eighth Amendment to our Amended and Restated Credit Agreement. The Eighth Amendment changed the definition of Change of Control in part to remove a provision whose purpose was, when calculating whether a majority of incumbent directors have approved new directors, that any incumbent director that became a director as a result of a threatened or actual proxy contest was not counted in such calculation.

On January 25, 2016, we entered into the Ninth Amendment to our Amended and Restated Credit Agreement. The Ninth Amendment modifies certain definitions and provides increased flexibility to us in terms of our financial covenants. Our baskets for permitted investments were also increased to provide increased flexibility for us to invest in non-wholly owned subsidiaries, joint ventures and foreign subsidiaries. We may now invest in non-wholly owned subsidiaries and joint ventures up to 10.0% of our and our subsidiaries total assets in any consecutive four fiscal quarter period, and up to 12.5% of our and our subsidiaries total assets during the term of the Amended and Restated Credit Agreement. We may also invest in foreign subsidiaries that are not loan parties up to 10% of our and our subsidiaries total assets in any consecutive four fiscal quarter period, and up to 15% of our and our subsidiaries total assets during the term of the Amended and Restated Credit Agreement. The foregoing permitted investments are subject to an aggregate cap of 25% of our and our subsidiaries total assets in any fiscal year.

On February 16, 2016, we entered into the Second Incremental Facility Amendment to our Amended and Restated Credit Agreement. The Second Incremental Amendment activated a new $955.0 million incremental Term Loan B facility and added $135.0 million to the Term Loan A facility to our Amended and Restated Senior Secured Credit Facility, subject to limited conditionality provisions. Borrowings under the New TLB Facility were used to fund a portion of the purchase price for the acquisition of Priory and the fees and expenses for such acquisition and the related financing transactions. Borrowings under the TLA Facility were used to pay down the majority of our $300.0 million revolving credit facility.

We had $241.5 million of availability under the revolving line of credit as of March 31, 2016. Borrowings under the revolving line of credit are subject to customary conditions precedent to borrowing. The Amended and Restated Credit Agreement requires quarterly term loan principal repayments of our TLA Facility of $10.0 million for March 31, 2016, $12.6 million for June 30, 2016 to December 31, 2016, $16.8 million for March 31, 2017 to December 31, 2017, and $20.9 million for March 31, 2018 to December 31, 2018, with the remaining principal balance of the TLA Facility due on the maturity date of February 13, 2019. We are required to repay the Existing TLB Facility in equal quarterly installments of $1.3 million on the last business day of each March, June, September and December, with the outstanding principal balance of the Existing TLB Facility due on February 11, 2022. We are required to repay the New TLB Facility in equal quarterly installments of approximately $2.4 million on the last business day of each March, June, September and December, with the outstanding principal balance of the New TLB Facility due on February 16, 2023.

Borrowings under the Amended and Restated Credit Agreement are guaranteed by each of our wholly-owned domestic subsidiaries (other than certain excluded subsidiaries) and are secured by a lien on substantially all of our and such subsidiaries assets. Borrowings with respect to the TLA Facility and our revolving credit facility (collectively, Pro Rata Facilities) under the Amended and Restated Credit Agreement bear interest at a rate tied to Acadia s Consolidated Leverage Ratio (defined as consolidated funded debt net of up to $40.0 million of unrestricted and unencumbered cash to consolidated EBITDA, in each case as defined in the Amended and Restated Credit Agreement). The Applicable Rate (as defined in the Amended and Restated Credit Agreement) for the Pro Rata Facilities was 3.25% for Eurodollar Rate Loans (as defined in the Amended and Restated Credit Agreement) and 2.0% for Base Rate Loans (as defined in the Amended and Restated Credit Agreement) at March 31, 2016. Eurodollar Rate Loans with respect to the Pro Rata Facilities bear interest at the Applicable Rate plus the Eurodollar Rate (as defined in the Amended and Restated Credit Agreement) (based upon the LIBOR Rate (as defined in the Amended and Restated Credit Agreement) prior to commencement of the interest rate period). Base Rate Loans with respect to the Pro Rata Facilities bear interest at the Applicable Rate plus the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate and (iii) the Eurodollar Rate plus 1.0%. As of March 31, 2016, the Pro Rata Facilities bore interest at a rate of LIBOR plus 3.25%. In addition, we are required to pay a commitment fee on undrawn amounts under our revolving credit facility.

The interest rates and the unused line fee on unused commitments related to the Pro Rata Facilities are based upon the following pricing tiers:

Pricing Tier	Consolidated Leverage Ratio

		Eurodollar Rate Loans	**Base Rate Loans**	**Commitment Fee**
1	< 3.50:1.0	2.25%	1.25%	0.30%
2	>3.50:1.0 but < 4.00:1.0	2.50%	1.50%	0.35%
3	>4.00:1.0 but < 4.50:1.0	2.75%	1.75%	0.40%
4	>4.50:1.0 but < 5.25:1.0	3.00%	2.00%	0.45%
5	>5.25:1.0	3.25%	2.25%	0.50%

Eurodollar Rate Loans with respect to the Existing TLB Facility bear interest at the Existing TLB Applicable Rate (as defined below) plus the Eurodollar Rate (subject to a floor of 0.75% and based upon the LIBOR Rate prior to commencement of the interest rate period). Base Rate Loans bear interest at the Existing TLB Applicable Rate plus the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate and (iii) the Eurodollar Rate plus 1.0%. As used herein, the term Existing TLB Applicable Rate means, with respect to Eurodollar Rate Loans, 3.50%, and with respect to Base Rate Loans, 2.50%. The New TLB Facility bears interest as follows: Eurodollar Rate Loans bear interest at the Applicable Rate (as defined in the Amended and Restated Credit Agreement) plus the Eurodollar Rate (subject to a floor of 0.75% and based upon the LIBOR Rate prior to commencement of the interest rate period) and Base Rate Loans bear interest at the Applicable Rate plus the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate and (iii) the Eurodollar Rate plus 1.0%. As used herein, the term Applicable Rate means, with respect to Eurodollar Rate Loans, 3.75%, and with respect to Base Rate Loans, 2.75%.

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The lenders who provided the Existing TLB Facility and New TLB Facility are not entitled to benefit from the Company s maintenance of its financial covenants under the Amended and Restated Credit Agreement. Accordingly, if we fail to maintain its financial covenants, such failure shall not constitute an event of default under the Amended and Restated Credit Agreement with respect to the Existing TLB Facility or the New TLB Facility until and unless the Amended and Restated Senior Credit Facility is accelerated or the commitment of the lenders to make further loans is terminated.

The Amended and Restated Credit Agreement requires us and our subsidiaries to comply with customary affirmative, negative and financial covenants, including a fixed charge coverage ratio, consolidated leverage ratio and consolidated senior secured leverage ratio. We may be required to pay all of our indebtedness immediately if we default on any of the numerous financial or other restrictive covenants contained in any of its material debt agreements. We may be required to pay all of our indebtedness immediately if we default on any of the numerous financial or other restrictive covenants contained in any of our material debt agreements. Set forth below is a brief description of such covenants, all of which are subject to customary exceptions, materiality thresholds and qualifications:

a) the affirmative covenants include the following: (i) delivery of financial statements and other customary financial information; (ii) notices of events of default and other material events; (iii) maintenance of existence, ability to conduct business, properties, insurance and books and records; (iv) payment of taxes; (v) lender inspection rights; (vi) compliance with laws; (vii) use of proceeds; (viii) further assurances; and (ix) additional collateral and guarantor requirements.

b) the negative covenants include limitations on the following: (i) liens; (ii) debt (including guaranties); (iii) investments; (iv) fundamental changes (including mergers, consolidations and liquidations); (v) dispositions; (vi) sale leasebacks; (vii) affiliate transactions; (viii) burdensome agreements; (ix) restricted payments; (x) use of proceeds; (xi) ownership of subsidiaries; (xii) changes to line of business; (xiii) changes to organizational documents, legal name, state of formation, form of entity and fiscal year; (xiv) prepayment or redemption of certain senior unsecured debt; and (xv) amendments to certain material agreements. The Company is generally not permitted to issue dividends or distributions other than with respect to the following: (w) certain tax distributions; (x) the repurchase of equity held by employees, officers or directors upon the occurrence of death, disability or termination subject to cap of $500,000 in any fiscal year and compliance with certain other conditions; (y) in the form of capital stock; and (z) scheduled payments of deferred purchase price, working capital adjustments and similar payments pursuant to the merger agreement or any permitted acquisition.

c) The financial covenants include maintenance of the following:

the fixed charge coverage ratio may not be less than 1.25:1.00 as of the end of any fiscal quarter;

the total leverage ratio may not be greater than the following levels as of the end of each fiscal quarter listed below:

	March 31	June 30	September 30	December 31
2016	6.75x	6.75x	6.75x	6.25x
2017	6.00x	6.00x	6.00x	5.50x
2018	5.50x	5.50x	5.50x	5.00x

the secured leverage ratio may not be greater than the following levels as of the end of each fiscal quarter listed below:

March 31, 2016- September 30, 2016	3.75x
December 31, 2016 and each fiscal quarter thereafter	3.50x

As of March 31, 2016, the Company was in compliance with all of the above covenants.

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Senior Notes

6.125% Senior Notes Due 2021

On March 12, 2013, we issued $150.0 million of 6.125% Senior Notes due 2021. The 6.125% Senior Notes mature on March 15, 2021 and bear interest at a rate of 6.125% per annum, payable semi-annually in arrears on March 15 and September 15 of each year.

5.125% Senior Notes due 2022

On July 1, 2014, we issued $300.0 million of 5.125% Senior Notes due 2022. The 5.125% Senior Notes mature on July 1, 2022 and bear interest at a rate of 5.125% per annum, payable semi-annually in arrears on January 1 and July 1 of each year.

5.625% Senior Notes due 2023

On February 11, 2015, we issued $375.0 million of 5.625% Senior Notes due 2023. The 5.625% Senior Notes mature on February 15, 2023 and bear interest at a rate of 5.625% per annum, payable semi-annually in arrears on February 15 and August 15 of each year.

On September 21, 2015, we issued $275.0 million of additional 5.625% Senior Notes. The additional notes form a single class of debt securities with the existing 5.625% Senior Notes. Giving effect to this issuance, we have outstanding an aggregate of $650.0 million of 5.625% Senior Notes.

6.500% Senior Notes due 2024

On February 16, 2016, we issued $390.0 million of 6.500% Senior Notes due 2024. The 6.500% Senior Notes mature on March 1, 2024 and bear interest at a rate of 6.500% per annum, payable semi-annually in arrears on March 1 and September 1 of each year, beginning on September 1, 2016.

The indentures governing the Senior Notes contain covenants that, among other things, limit the Company s ability and the ability of its restricted subsidiaries to: (i) pay dividends, redeem stock or make other distributions or investments; (ii) incur additional debt or issue certain preferred stock; (iii) transfer or sell assets; (iv) engage in certain transactions with affiliates; (v) create restrictions on dividends or other payments by the restricted subsidiaries; (vi) merge, consolidate or sell substantially all of the Company s assets; and (vii) create liens on assets.

The Senior Notes issued by the Company are guaranteed by each of the Company s subsidiaries that guarantee the Company s obligations under the Amended and Restated Senior Credit Facility. The guarantees are full and unconditional and joint and several.

The Company may redeem the Senior Notes at its option, in whole or part, at the dates and amounts set forth in the indentures.

9.0% and 9.5% Revenue Bonds

On November 11, 2012, in connection with the acquisition of Park Royal, we assumed debt of $23.0 million. The fair market value of the debt assumed was $25.6 million and resulted in a debt premium balance being recorded as of the acquisition date. The debt consisted of $7.5 million and $15.5 million of Lee County (Florida) Industrial Development

Authority Healthcare Facilities Revenue Bonds, Series 2010 with stated interest rates of 9.0% and 9.5%, respectively. The 9.0% bonds in the amount of $7.5 million have a maturity date of December 1, 2030 and require yearly principal payments beginning in 2013. The 9.5% bonds in the amount of $15.5 million have a maturity date of December 1, 2040 and require yearly principal payments beginning in 2031. The principal payments establish a bond-sinking fund to be held with the trustee and shall be sufficient to redeem the principal amounts of the 9.0% and 9.5% Revenue Bonds on their respective maturity dates. As of March 31, 2016 and December 31, 2015, $2.3 million was recorded within other assets on the balance sheet related to the debt service reserve fund requirements. The yearly principal payments, which establish a bond sinking fund, will increase the debt service reserve fund requirements. The bond premium amount of $2.6 million is amortized as a reduction of interest expense over the life of the 9.0% and 9.5% Revenue Bonds using the effective interest method.

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Contractual Obligations

The following table presents a summary of contractual obligations as of March 31, 2016 (dollars in thousands):

	Payments Due by Period				
	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	Total
Long-term debt (a)	$ 242,636	$ 938,857	$ 479,578	$ 3,075,919	$ 4,736,990
Operating leases	70,075	122,499	104,306	870,955	1,167,835
Purchase and other obligations (b)	1,848	2,740	1,928	28,817	35,333
Total obligations and commitments	$ 314,559	$ 1,064,096	$ 585,812	$ 3,975,691	$ 5,940,158

(a) Amounts include required principal and interest payments. The projected interest payments reflect the interest rates in place on our variable-rate debt based at of March 31, 2016.

(b) Amounts relate to purchase obligations, including capital lease payments.

Off-Balance Sheet Arrangements

As of March 31, 2016, we had standby letters of credit outstanding of $8.5 million related to security for the payment of claims as required by our workers compensation insurance program.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our interest expense is sensitive to changes in market interest rates. With respect to our interest-bearing liabilities, our long-term debt outstanding at March 31, 2016 was composed of $1.5 billion of fixed-rate debt and $2.1 billion of variable-rate debt with interest based on LIBOR plus an applicable margin. A hypothetical 10% increase in interest rates would decrease our net income and cash flows by $3.7 million on an annual basis based upon our borrowing level at March 31, 2016.

The functional currency for our U.K. facilities is GBP. Our revenue and earnings are sensitive to changes in GBP to USD exchange rate. As a result, our future earnings could be affected by fluctuations in the exchange rate between USD and GBP. Based upon the level of our U.K. operations relative to the Company as a whole, a hypothetical 10% change in this exchange rate would cause a change in our net income of $2.5 million for the three months ended March 31, 2016.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, our management conducted an evaluation, with the participation of our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the Exchange Act)). Based on this evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission s rules and forms and that such information is accumulated and communicated to management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the three months ended March 31, 2016 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

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PART II OTHER INFORMATION

Item 1. Legal Proceedings

We are, from time to time, subject to various claims and legal actions that arise in the ordinary course of our business, including claims for damages for personal injuries, medical malpractice, breach of contract, tort and employment related claims. In these actions, plaintiffs request a variety of damages, including, in some instances, punitive and other types of damages that may not be covered by insurance. In the opinion of management, we are not currently a party to any proceeding that would have a material adverse effect on our business, financial condition or results of operations.

Item 1A. Risk Factors

In addition to the other information set forth in this report, an investor should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in the Company s Annual Report on Form 10-K for the year ended December 31, 2015. The risks, as described in the Company s Annual Report on Form 10-K for the year ended December 31, 2015, are not the only risks facing the Company. Additional risks and uncertainties not currently known to management or that management currently deems immaterial also may materially, adversely affect the Company s business, financial condition, operating results or cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended March 31, 2016, the Company withheld shares of Company common stock to satisfy employee minimum statutory tax withholding obligations payable upon the vesting of restricted stock, as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 January 31	285	$ 62.46		
February 1 February 28	50,877	55.97		
March 1 March 31	23,847	53.07		
Total	75,009			

Item 6. Exhibits

Exhibit No. **Exhibit Description**

2.1	Amendment to Sale and Purchase Deed, by and among Whitewell UK Investments 1 Limited, the institutional sellers named therein, Appleby Trust (Jersey) Limited, the management sellers named therein, and Acadia Healthcare Company, Inc. (the Company). (1)
3.1	Amended and Restated Certificate of Incorporation, as filed on October 28, 2011 with the Secretary of State of the State of Delaware, as amended by the Certificate of Amendment filed on March 3, 2016. (2)
3.2	Amended and Restated Bylaws of the Company. (3)
4.1	Indenture, dated February 16, 2016, by and among the Company, the guarantors party thereto and U.S. Bank National Association, as Trustee. (4)
4.2	Form of 6.500% Senior Note due 2024 (Included in Exhibit 4.1).
4.3	Registration Rights Agreement, dated February 16, 2016, by and among the Company, the guarantors party thereto and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Jefferies LLC, as Representatives of the Initial Purchasers. (4)
4.4	Joinder, dated February 16, 2016, to the Third Amended and Restated Registration Rights Agreement dated as of December 31, 2015, by and among the Company and each of the parties named therein. (4)
10.1	Underwriting Agreement, dated January 6, 2016, by and among the Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Jefferies LLC, as the underwriters named therein. (1)
10.2	Ninth Amendment, dated January 25, 2016, to the Amended and Restated Credit Agreement. (5)

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Exhibit No.	Exhibit Description
10.3	Purchase Agreement, dated February 4, 2016, by and among the Company, the Guarantors, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Jefferies LLC as representatives of the initial purchasers named therein. (6)
10.4	Second Incremental Facility Amendment, dated February 16, 2016, to the Amended and Restated Credit Agreement. (4)
31.1*	Certification of the Chief Executive Officer of the Company pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer of the Company pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32*	Certification of Chief Executive Officer and Chief Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS**	XBRL Instance Document.
101.SCH**	XBRL Taxonomy Extension Schema Document.
101.CAL**	XBRL Taxonomy Calculation Linkbase Document.
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	XBRL Taxonomy Labels Linkbase Document.
101.PRE**	XBRL Taxonomy Presentation Linkbase Document.

(1) Incorporated by reference to exhibits filed with the Company s Current Report on Form 8-K filed January 8, 2016 (File No. 001-35331).
(2) Incorporated by reference to exhibits filed with the Company s Current Report on Form 8-K filed March 3, 2016 (File No. 001-35331).
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(6) Incorporated by reference to exhibits filed with the Company s Current Report on Form 8-K filed February 5, 2016 (File No. 001-35331).
* Filed herewith.
** The XBRL related information in Exhibit 101 to this quarterly report on Form 10-Q shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Acadia Healthcare Company, Inc.

By: /s/ David M. Duckworth
David M. Duckworth
Chief Financial Officer

Dated: April 29, 2016

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