



## Molina Healthcare Announces Closing of Offering of \$330 Million of Senior Notes Due 2025

June 6, 2017

LONG BEACH, Calif.--(BUSINESS WIRE)--Jun. 6, 2017-- Molina Healthcare, Inc. (NYSE: MOH) (the "Company") today announced the closing of its previously announced offering of \$330 million aggregate principal amount of 4.875% Senior Notes due 2025 (the "Notes"), in a private offering to "qualified institutional buyers" pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to certain persons outside the United States in reliance on Regulation S under the Securities Act.

The Notes will bear interest at a rate of 4.875% per year. Interest will be payable semi-annually in arrears on June 15 and December 15 of each year, commencing December 15, 2017, and will accrue from the Settlement Date. The Notes will mature on June 15, 2025.

The Notes will be guaranteed by each of the Company's existing and future direct and indirect domestic unregulated subsidiaries that guarantee the Company's existing revolving credit facility. As of the date of this news release, the only subsidiaries of the Company that have guaranteed the Notes are Molina Information Systems, LLC, Molina Pathways, LLC and Pathways Health and Community Support LLC. None of the Company's other subsidiaries, including its health plan subsidiaries, will guarantee the Notes and the Notes will be structurally subordinated to all of the liabilities of such subsidiaries.

After deducting fees and expenses payable by the Company, the net proceeds from the issuance and sale of the Notes is \$325,175,000 (the "Net Proceeds"). The Net Proceeds have been deposited into a newly-formed segregated deposit account in the Company's name, and such Net Proceeds will be invested (and may be reinvested) in cash and cash equivalents. Amounts contained in such account will be used by the Company (i) on or prior to August 20, 2018, to (a) redeem, repurchase, repay, tender for, or acquire or retire for value (whether through one or more tender offers, open market repurchases, redemptions or similar transactions) all or any portion of the Company's 1.625% Convertible Senior Notes due 2044 (the "1.625% Convertible Notes") or to satisfy the cash portion of any consideration due upon any conversion of the 1.625% Convertible Notes pursuant to the requirements contained in the indenture governing the 1.625% Convertible Notes, and/or (b) make any interest payments due on all or any portion of the Notes, (ii) on or after August 20, 2018, to repurchase all or any portion of the 1.625% Convertible Notes that the Company is obligated to repurchase pursuant to the requirements contained in the indenture governing the 1.625% Convertible Notes and (iii) subsequent to August 20, 2018 (or such earlier date in the event that there are no longer any 1.625% Convertible Notes outstanding), in any other manner not otherwise prohibited by the indenture governing the Notes, subject to the Company complying with clauses (i) or (ii) prior to any such amounts being used or applied in accordance with this clause (iii). For payments made pursuant to the foregoing clauses (i) or, to the extent applicable, (ii), amounts permitted to be released from the segregated account shall include amounts necessary to pay principal, any accrued and unpaid interest due on the date of any redemption, repurchase, repayment, tender, acquisition or retirement for value or to satisfy the cash portion of any consideration due upon any conversion of the 1.625% Convertible Notes, premiums (including tender premiums) and fees and expenses incurred in connection therewith. The funds deposited into the above-referenced segregated deposit account will initially be classified as non-current assets on the Company's consolidated balance sheet.

This press release shall not constitute an offer to sell or a solicitation of an offer to purchase the Notes and shall not constitute an offer, solicitation or sale in any state or jurisdiction where such offer, solicitation or sale is prohibited.

### About Molina Healthcare

Molina Healthcare, Inc., a FORTUNE 500 company, provides managed health care services under the Medicaid and Medicare programs and through the state insurance marketplaces. Through our locally operated health plans in 12 states and in the Commonwealth of Puerto Rico, Molina serves approximately 4.8 million members. Dr. C. David Molina founded our company in 1980 as a provider organization serving low-income families in Southern California. Today, we continue his mission of providing high quality and cost-effective health care to those who need it most.

**Cautionary Statement under the Private Securities Litigation Reform Act:** *This press release contains "forward-looking statements," including statements related to the Company's offering of the Notes and intended use of net proceeds of the offering, which are subject to risks and uncertainties, including, without limitation, risks related to whether the Company will consummate the offering of the Notes on the expected terms, or at all, market and other general economic conditions and whether the Company and the guarantors will be able to satisfy the conditions required to close any sale of the Notes. A discussion of the risk factors facing the Company can be found in its annual report on Form 10-K for the year ended December 31, 2016, in its quarterly report on Form 10-Q for the quarter ended March 31, 2017, in its Form 8-K current reports, and in its other reports and filings with the SEC. These reports can be accessed on the SEC's website at [www.sec.gov](http://www.sec.gov). The Company undertakes no obligation to release any revisions to any forward-looking statements.*

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