Acadia Healthcare Company, Inc.
Form 424B1
May 16, 2012
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Filed Pursuant to Rule 424(b)(1)
Registration No. 333-181025

PROSPECTUS

8,250,000 Shares

Acadia Healthcare Company, Inc.

Common Stock

We are offering 8,250,000 shares of our common stock. Our common stock is traded on The NASDAQ Global Market under the symbol ACHC. On May 15, 2012, the last reported sale price of our common stock on The NASDAQ Global Market was $15.59 per share.

Investing in our common stock involves a high degree of risk. Please read Risk Factors beginning on page 17 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL
Public offering price	$ 15.50	$ 127,875,000
Underwriting discount	$ 0.7750	$ 6,393,750
Proceeds, before expenses, to Acadia Healthcare Company, Inc.	$ 14.7250	$ 121,481,250

Delivery of the shares of common stock is expected to be made on or about May 21, 2012. We have granted the underwriters an option for a period of 30 days to purchase an additional 1,237,500 shares of our common stock. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by us will be $7,352,812, and the total proceeds to us, net of underwriting discounts but before expenses, will be $139,703,438.

Joint Book-Running Managers

Citigroup **BofA Merrill Lynch** **Jefferies**

Co-Managers

Raymond James **RBC Capital Markets** **Avondale Partners**

Prospectus dated May 15, 2012

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You should rely only on the information contained in this prospectus. Neither we nor the underwriters have authorized any other person to provide you with different information. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus is complete and accurate as of the date on the front cover, but the information may have changed since that date.

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COMPANY BACKGROUND

Acadia Healthcare Company, Inc. is a Delaware corporation doing business as Pioneer Behavioral Health. Our predecessor, Acadia Healthcare Company, LLC, was organized in 2005 and converted to a corporation in May 2011.

At the beginning of 2011, we operated through six psychiatric and behavioral health facilities. In April 2011, we acquired Youth and Family Centered Services, Inc. (YFCS). YFCS operates 13 inpatient and outpatient facilities, psychiatric and behavioral health facilities.

In November 2011, we completed the acquisition of PHC, Inc., which we refer to as PHC. PHC operates 15 substance abuse treatment centers and psychiatric facilities and provides related services. In July 2011, PHC had acquired all of the assets of HHC Delaware, Inc. (collectively with its subsidiary, HHC Delaware), consisting principally of the MeadowWood Behavioral Health System, an acute care psychiatric hospital (MeadowWood). We acquired MeadowWood when we acquired PHC. Concurrently with the acquisition of PHC, we issued $150.0 million in aggregate principal amount of 12.875% Senior Notes due 2018 (the Senior Notes). Upon completion of the acquisition of PHC, our common stock began trading on The NASDAQ Global Market under the symbol ACHC.

In December 2011, we completed the offering of 9,583,332 shares of our common stock (including shares sold pursuant to the exercise of the option to purchase additional shares that we granted to the underwriters as part of the offering) at a price of $7.50 per share. The net proceeds to us from the sale of the shares, after deducting the underwriting discount of approximately $3.8 million and additional offering-related expenses of approximately $0.9 million, were approximately $67.2 million.

In March 2012, we completed the acquisition from Haven Behavioral Healthcare Holdings, LLC (Haven) of three inpatient behavioral healthcare facilities (the Haven Facilities) for approximately $90.4 million of cash consideration using the net proceeds from the December 2011 sale of our common stock and borrowings under our senior secured credit facility (the Senior Secured Credit Facility). See Prospectus Summary Recent Developments.

In this prospectus, unless the context requires otherwise, references to Acadia, the Company, we, us or our refer to Acadia Healthcare Comp Inc. and its predecessor, Acadia Healthcare Company, LLC. Current references include the acquired operations mentioned above; historical references include those operations from and after their date of acquisition. When we refer to our operations or results on a pro forma basis or on a pro forma basis giving effect to the acquisitions, we mean the statement is made as if each of the acquisitions mentioned above had been completed as of the date stated or as of the beginning of the period referenced.

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NON-GAAP FINANCIAL MEASURES

We have included certain financial measures in this prospectus, including Pro Forma EBITDA and Pro Forma Adjusted EBITDA, which are non-GAAP financial measures as defined under the rules and regulations promulgated by the U.S. Securities and Exchange Commission (SEC). We define Pro Forma EBITDA as pro forma net income (loss) adjusted for loss (income) from discontinued operations, net interest expense, income tax provision (benefit) and depreciation and amortization. We define Pro Forma Adjusted EBITDA as Pro Forma EBITDA adjusted for equity-based compensation expense, management fees, legal settlement, integration and closing costs, rate increase of a PHC contract, anticipated operating income at the Seven Hills Behavioral Center, rent elimination and cost savings/synergies. For a reconciliation of pro forma net income (loss) to Pro Forma Adjusted EBITDA, see Prospectus Summary Summary Historical Condensed Consolidated Financial Data and Unaudited Pro Forma Condensed Combined Financial Data. We may not achieve all of the expected benefits from synergies, cost savings and recent improvements to our revenue base.

Pro Forma EBITDA and Pro Forma Adjusted EBITDA, as presented in this prospectus, are supplemental measures of our performance and are not required by, or presented in accordance with, generally accepted accounting principles in the United States (GAAP). Pro Forma EBITDA and Pro Forma Adjusted EBITDA are not measures of our financial performance under GAAP and should not be considered as alternatives to net income or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as measures of our liquidity. Our measurements of Pro Forma EBITDA and Pro Forma Adjusted EBITDA may not be comparable to similarly titled measures of other companies and are not measures of performance calculated in accordance with GAAP. We have included information concerning Pro Forma EBITDA and Pro Forma Adjusted EBITDA in this prospectus because we believe that such information is used by certain investors as measures of a company s historical performance. We believe these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of issuers of equity securities, many of which present EBITDA and Adjusted EBITDA when reporting their results. Our presentation of Pro Forma EBITDA and Pro Forma Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

MARKET AND INDUSTRY DATA

Market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources including, but not limited to, IBISWorld industry reports (IBISWorld) and reports prepared by the National Institute of Mental Health published in 2010, and the U.S. Department of Health and Human Services published in 2008. Some data are also based on our good faith estimates, which are derived from management s review of internal data and information, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information, and we have not ascertained the underlying economic assumptions relied upon therein, and cannot guarantee its accuracy and completeness. Statements as to our market position are based on market data currently available to us and, primarily, on management estimates as information regarding most of our major competitors is not publicly available. Our estimates involve risks and uncertainties, and are subject to change based on various factors, including those discussed under the heading Risk Factors in this prospectus.

TRADEMARKS AND TRADE NAMES

This prospectus includes our trademarks such as Pioneer Behavioral Health, which are protected under applicable intellectual property laws and are the property of Acadia Healthcare Company, Inc. or its subsidiaries. This prospectus also contains trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

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PROSPECTUS SUMMARY

This summary highlights selected information appearing elsewhere in this prospectus or incorporated herein by reference. This summary is not complete and does not contain all of the information that you should consider before making an investment decision. You should carefully read the entire prospectus, including the section entitled Risk Factors beginning on page 17 and the financial statements and notes thereto included in this prospectus or incorporated herein by reference, before making any investment decision.

On November 1, 2011, PHC, Inc., a Massachusetts corporation (PHC), merged with and into Acadia Merger Sub, LLC, a Delaware limited liability company and our wholly-owned subsidiary (Merger Sub), with Merger Sub continuing as the surviving company following the merger (the PHC Merger). In this prospectus, references to Acadia, the Company, we, us or our refer to Acadia Healthcare Company, Inc. and its predecessor, Acadia Healthcare Company, LLC. Current references include the acquired operations to date; historical references include those operations from and after their date of acquisition. We recently completed several significant acquisitions and greatly expanded our business. See Company Background and Recent Developments.

Our Company

Overview. We are the leading publicly traded pure-play provider of inpatient behavioral health care services in the United States based upon number of licensed beds. As of March 31, 2012 we operated 33 behavioral healthcare inpatient and outpatient facilities with approximately 2,150 licensed beds in 19 states. We believe that our primary focus on the provision of behavioral health services allows us to operate more efficiently and provide higher quality care than our competitors. On a pro forma basis for the three months ended March 31, 2012 and the year ended December 31, 2011, giving effect to the acquisitions of YFCS, PHC and the Haven Facilities, we would have generated revenue of approximately $98.2 million and approximately $372.4 million, respectively.

Our inpatient facilities offer a wide range of inpatient behavioral health care services for children, adolescents and adults. We offer these services through a combination of acute inpatient behavioral facilities and residential treatment centers (RTCs). Our acute inpatient behavioral facilities provide the most intensive level of care, including 24-hour skilled nursing observation and care, daily interventions and oversight by a psychiatrist and intensive, highly coordinated treatment by a physician-led team of mental health professionals. Our RTCs offer longer-term treatment programs primarily for children and adolescents with long-standing chronic behavioral health problems. Our RTCs provide physician-led, multi-disciplinary treatments that address the overall medical, psychiatric, social and academic needs of the patient.

Our outpatient community-based services provide therapeutic treatment to children and adolescents who have a clinically defined emotional, psychiatric or chemical dependency disorder while enabling patients to remain at home and within their community. Many patients who participate in community-based programs have transitioned out of a residential facility or have a disorder that does not require placement in a facility that provides 24-hour care.

Our Competitive Strengths

We believe the following strengths differentiate us from our competitors:

Premier operational management team with track record of success. Our management team has approximately 145 combined years of experience in acquiring, integrating and operating a variety of behavioral health facilities. Following the sale of Psychiatric Solutions, Inc. (PSI) to Universal Health Services, Inc. in November 2010, certain of PSI s key former executive officers joined Acadia in February 2011. The combination of the Acadia management team with the operational expertise of the former PSI management team gives us what we believe to be the premier leadership team in the behavioral health care industry. The new management team intends to bring its years of experience operating behavioral health facilities to generate strong cash flow and grow a strong business.

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Favorable industry and legislative trends. According to the National Institute of Mental Health, approximately 6% of people in the United States suffer from a seriously debilitating mental illness and over 20% of children, either currently or at some point during their life, have had a seriously debilitating mental disorder. We believe the market for behavioral services will continue to grow due to increased awareness of mental health and substance abuse conditions and treatment options. National expenditures on mental health and substance abuse treatment are expected to reach $239 billion in 2014, up from $121 billion in 2003, representing a compound annual growth rate of approximately 6.4%. While the growing awareness of mental health and substance abuse conditions is expected to accelerate demand for services, recent healthcare reform is expected to increase access to industry services as more people obtain insurance coverage. A key aspect of reform legislation is the extension of mental health parity protections established into law by the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (the MHPAEA). The MHPAEA provides for equal coverage between psychiatric or mental health services and conventional medical health services and forbids employers and insurers from placing stricter limits on mental health care compared to other health conditions. According to IBISWorld, the MHPAEA is projected to affect more than 113 million individuals.

Leading platform in attractive healthcare niche. We are a leading behavioral healthcare platform in an industry that is undergoing consolidation in an effort to reduce costs and better negotiate with larger payor organizations. In addition, the behavioral health care industry has significant barriers to entry, including (i) significant initial capital outlays required to open new facilities (ii) expertise required to deliver highly specialized services safely and effectively and (iii) high regulatory hurdles that require market entrants to be knowledgeable of state and federal laws and be licensed with local agencies at the facility level.

Diversified revenue and payor bases. As of March 31, 2012, we operated 33 facilities in 19 states. The acquisitions of YFCS, PHC and the Haven Facilities increased our payor, patient/client and geographic diversity, which mitigates the potential risk associated with any single facility. On a pro forma basis for the twelve months ended March 31, 2012, we received 61% of our revenue from Medicaid, 22% from commercial payors, 12% from Medicare, and 5% from other payors. As we receive Medicaid payments from 27 states and the District of Columbia, we do not believe that we are significantly affected by changes in reimbursement policies in any one state. Substantially all of our Medicaid payments relate to the care of children and adolescents. Management believes that children and adolescents are a patient class that is less susceptible to reductions in reimbursement rates. On a pro forma basis, our largest facility would have accounted for less than 7% of total revenue for the twelve months ended March 31, 2012, and no other facility would have accounted for more than 6% of total revenue for the same period. Additionally, on a pro forma basis, no state would have accounted for more than 14% of total revenue for the twelve months ended March 31, 2012. We believe that our increased geographic diversity will mitigate the impact of any financial or budgetary pressure that may arise in a particular state where we operate.

Strong cash flow generation and low capital requirements. We generate strong free cash flow by profitably operating our business and by actively managing our working capital. Moreover, as the behavioral health care business does not typically require the procurement and replacement of expensive medical equipment, our maintenance capital expenditure requirements are generally less than that of other facility-based health care providers. For the year ended December 31, 2011, Acadia s maintenance capital expenditures amounted to approximately 1.6% of our revenue. In addition, our accounts receivable management is less complex than medical/surgical hospital providers because there are fewer billing codes for inpatient behavioral health care facilities.

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Business Strategy

We are committed to providing the communities we serve with high quality, cost-effective behavioral health services, while growing our business, increasing profitability and creating long-term value for our stockholders. To achieve these objectives, we have aligned our activities around the following growth strategies:

Increase margins by enhancing programs and improving performance at existing facilities. We believe we can improve efficiencies and increase operating margins by utilizing our management s expertise and experience within existing programs and their expertise in improving performance at underperforming facilities. We believe the efficiencies can be realized by investing in growth in strong markets, addressing capital-constrained facilities that have underperformed and improving management systems. Furthermore, the combination of Acadia, YFCS, PHC and the Haven Facilities gives us an opportunity to develop a national marketing strategy in many markets which should help to increase the geographic footprint from which our existing facilities attract patients and referrals.

Opportunistically pursue acquisitions. We have established a national platform for becoming the leading dedicated provider of high quality behavioral health care services in the U.S. Our industry is highly fragmented, and we selectively seek opportunities to expand and diversify our base of operations by acquiring additional facilities. We believe there are a number of acquisition candidates available at attractive valuations, and we have a number of potential acquisitions in various stages of development and consideration. We believe our focus on inpatient behavioral health care and history of completing acquisitions provides us with a strategic advantage in sourcing, evaluating and closing acquisitions. We intend to focus our efforts on acquiring additional acute psychiatric facilities, which should increase the percentage of such facilities in our portfolio. The combination of PHC and recently acquired MeadowWood added seven inpatient facilities (four for general psychiatric services and three for substance abuse services) and eight outpatient psychiatric facilities as well as two call centers. The acquisition of the Haven Facilities added three inpatient facilities. We leverage our management team s expertise to identify and integrate acquisitions based on a disciplined acquisition strategy that focuses on quality of service, return on investment and strategic benefits. We also have a comprehensive post-acquisition strategic plan to facilitate the integration of acquired facilities that includes improving facility operations, retaining and recruiting psychiatrists and expanding the breadth of services offered by the facilities.

Drive organic growth of existing facilities. We seek to increase revenue at our facilities by providing a broader range of services to new and existing patients and clients. The YFCS acquisition presented us with an opportunity to provide a wider array of behavioral health services (including adult services and acute-care services) to patients and clients in the markets YFCS serviced, without increasing the number of our licensed beds. We believe there are similar opportunities to market a broader array of services to the markets served by PHC s facilities. We also intend to increase licensed bed counts in our existing facilities, with a focus on increasing the number of acute psychiatric beds. For example, we added 76 beds to existing facilities during 2011, 119 during the three months ended March 31, 2012, and expect to add approximately 140 more new beds to existing facilities during the last three quarters of 2012. Additionally, during the fourth quarter of 2011, 42 beds have already been converted from residential treatment care beds to acute psychiatric care beds, which have higher reimbursement rates on average. Furthermore, we believe that opportunities exist to leverage out-of-state referrals to increase volume and minimize payor concentration, especially with respect to our youth and adolescent focused services and our substance abuse services.

Recent Developments

On March 1, 2012, we completed the acquisition of the Haven Facilities with a combined 166 licensed beds from Haven for approximately $90.4 million of cash consideration using the net proceeds from an offering of 9,583,332 shares of our common stock (including shares sold pursuant to the exercise of the option to purchase additional shares that we granted to the underwriters as part of the offering) and borrowings under the Senior Secured Credit Facility. The parties consummated the acquisition pursuant to a Membership Interest Purchase Agreement, dated as of December 30, 2011, among Haven, Haven Behavioral Healthcare, Inc. and Hermitage Behavioral, LLC, a Delaware limited liability and wholly-owned subsidiary of Acadia (Hermitage). Under the terms of the Membership Interest Purchase Agreement, Haven sold to Hermitage all of the issued and outstanding membership interests of two wholly-owned subsidiaries of Haven, which owned, operated and managed, directly or indirectly, the Haven Facilities. The Haven Facilities are located in Tucson, Arizona, Ada, Oklahoma and Wichita Falls, Texas.

In addition, on the same date, we amended our Senior Secured Credit Facility to provide for an incremental $25.0 million of term loans and by $45.0 million in revolving credit, from $30.0 million to $75.0 million. We used the incremental term loans of $25.0 million and a $5.0 million borrowing under the revolving credit facility to partially fund the acquisition of the Haven Facilities.

Equity Sponsor

Waud Capital Partners, L.L.C. (Waud Capital Partners) controls a majority of our common stock. Founded in 1993, Waud Capital Partners is a leading middle-market private equity firm that partners with management teams to create, acquire and grow companies that address significant, inefficient, highly fragmented and underserved industry segments. Waud Capital Partners invests primarily through control-oriented growth equity investments, industry consolidations, buyouts or recapitalizations and seeks companies that generate strong cash flow and can be grown both organically and through add-on acquisitions. Waud Capital Partners current and exited portfolio is composed of companies in the healthcare, business/consumer, logistics/specialty distribution and value-added industrial business segments.

Waud Capital Partners currently is entitled to designate a majority of our directors and, so long as it owns at least 17.5% of our outstanding common stock, has consent rights to many corporate actions, such as issuing equity or debt securities, paying dividends, acquiring any interest in another company and materially changing our business activities. This means that we cannot engage in any of those activities without the consent of Waud Capital Partners. See Risk Factors Risks Relating to this Offering and Ownership of Our Common Stock Following the completion of this offering, we will no longer be a controlled company under the NASDAQ listing requirements and, as a result, will no longer qualify for exemptions from certain corporate governance requirements and Description of Capital Stock Board of Directors Composition.

Company Information

Our principal executive offices are located at 830 Crescent Centre Drive, Suite 610, Franklin, Tennessee 37067. Our telephone number is (615) 861-6000. Our website is *http://www.acadiahealthcare.com*. The information contained on our website is not part of this prospectus and is not incorporated in this prospectus by reference.

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THE OFFERING

Common stock outstanding prior to this offering	32,232,554 shares.
Common stock being offered by us	8,250,000 shares.
Common stock outstanding after this offering	40,482,554 shares.
Use of proceeds	We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $120.6 million based on the public offering price of $15.50 per share. We plan to use the proceeds from this offering principally to fund our acquisition strategy, and otherwise for general corporate purposes and the repayment of debt under the Senior Secured Credit Facility. We may also use the proceeds to repay debt under the Senior Notes. See Use of Proceeds.
Risk Factors	Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page 17 of this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock. See Risk Factors.
Symbol for trading on The NASDAQ Global Stock Market	ACHC

Unless otherwise indicated, all information in this prospectus relating to the number of shares of common stock to be outstanding immediately after this offering is based on the number of shares of our common stock outstanding as of April 30, 2012, and:

- gives effect to the issuance of 8,250,000 shares of our common stock to be sold by us in this offering;
- excludes:
  - 654,852 shares of common stock issuable upon exercise of stock options outstanding as of April 30, 2012 at a weighted average exercise price of $11.90 per share;
  - 321,552 shares of common stock issuable upon the vesting of restricted units outstanding as of April 30, 2012;
  - 23,250 shares of common stock issuable upon the exercise of warrants outstanding as of April 30, 2012 at a weighted average exercise price of $14.00 per share;
  - an aggregate of 1,908,592 shares of our common stock reserved for future grants under our 2011 Incentive Compensation Plan as of April 30, 2012; and

- assumes no exercise by the underwriters of their option to purchase up to 1,237,500 additional shares of our common stock from us.

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SUMMARY HISTORICAL CONDENSED CONSOLIDATED FINANCIAL DATA AND

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

Acadia Historical Financial Data

The following table sets forth our summary historical condensed consolidated financial data for the periods ended and at the dates indicated and does not give effect to (i) YFCS operating results prior to April 1, 2011, (ii) PHC operating results prior to November 1, 2011 and (iii) the operating results of the Haven Facilities prior to March 1, 2012. We have derived the historical consolidated financial data as of December 31, 2010 and 2011 and for each of the three years in the period ended December 31, 2011 from our and our predecessor s, as applicable, audited consolidated financial statements incorporated herein by reference from our 2011 Annual Report (as defined herein). We have derived the summary consolidated financial data as of and for the three months ended March 31, 2011 and 2012 from our and our predecessor s, as applicable, unaudited interim condensed consolidated financial statements incorporated herein by reference from our First Quarter 2012 Quarterly Report (as defined herein). The results for the three months ended March 31, 2012 are not necessarily indicative of the results that may be expected for the entire fiscal year. The summary consolidated financial data below should be read in conjunction with Unaudited Pro Forma Condensed Combined Financial Information and our and our predecessor s, as applicable, consolidated financial statements and the notes thereto incorporated herein by reference. On May 13, 2011, we elected to convert from a Delaware limited liability company (Acadia Healthcare Company, LLC) to a Delaware corporation (Acadia Healthcare Company, Inc.) in accordance with Delaware law.

	YEAR ENDED DECEMBER 31,			THREE MONTHS ENDED MARCH 31,	
	2009	2010	2011	2011	2012
			(In thousands)		
Income Statement Data:					
Revenue before provision for doubtful accounts	$ 51,821	$ 64,342	$ 224,599	$ 17,584	$ 93,021
Provision for doubtful accounts	(2,424)	(2,239)	(3,226)	(738)	(1,723)
Revenue	49,397	62,103	221,373	16,846	91,298
Salaries, wages and benefits [(1)]	30,752	36,333	156,561	10,712	56,540
Professional fees	1,977	3,612	9,044	375	4,216
Other operating expenses	12,116	13,286	37,651	3,170	15,917
Depreciation and amortization	967	976	4,288	243	1,615
Interest expense, net	774	738	9,191	223	7,282
Sponsor management fees			1,347	45	
Transaction related expenses			41,547	2,606	695
Income (loss) from continuing operations, before income taxes	2,811	7,158	(38,256)	(528)	5,033
Income tax provision (benefit)	53	477	(5,383)	(271)	1,665
Income (loss) from continuing operations	2,758	6,681	(32,873)	(257)	3,368
(Loss) income from discontinued operations, net of income taxes	119	(471)	(2,019)	8	311
Net income (loss)	$ 2,877	$ 6,210	$ (34,892)	$ (249)	$ 3,679
Balance Sheet Data (as of end of period):					
Cash and equivalents	$ 4,489	$ 8,614	$ 61,118	$ 8,028	$ 840
Total assets	41,254	45,395	412,996	47,137	453,252
Total debt	10,259	9,984	277,459	9,963	307,514

Total equity	21,193	25,107	96,365	24,491	100,680

(1) Salaries, wages and benefits includes equity-based compensation expense of $17.3 million and $0.6 million for the year ended December 31, 2011 and the three months ended March 31, 2012, respectively.

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YFCS Historical Financial Data

The following table sets forth summary historical condensed consolidated financial data for YFCS and its subsidiaries on a consolidated basis for the periods ended and at the dates indicated, which are the most recent periods for which financial data of YFCS was available prior to our acquisition thereof. The summary historical condensed consolidated financial data for YFCS and its subsidiaries presented below does not give effect to Acadia s acquisition of YFCS, the PHC Merger and the related issuance of Senior Notes or the acquisition of the Haven Facilities. We have derived the historical consolidated financial data as of December 31, 2009 and 2010 and for each of the three years in the period ended December 31, 2010 from YFCS audited consolidated financial statements included elsewhere in this prospectus. We have derived the summary consolidated financial data as of and for the three months ended March 31, 2010 and 2011 from YFCS unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. We have derived the summary consolidated financial data as of December 31, 2008 from YFCS audited consolidated financial statements not included or incorporated by reference in this prospectus. The results for the three months ended March 31, 2011 are not necessarily indicative of the results that may have been expected for the entire fiscal year. The summary financial data below should be read in conjunction with Unaudited Pro Forma Condensed Combined Financial Information and YFCS consolidated financial statements and the notes thereto included elsewhere in this prospectus.

	YEAR ENDED DECEMBER 31,			THREE MONTHS ENDED MARCH 31,	
	2008	2009	2010	2010	2011
			(In thousands)		
Income Statement Data:					
Revenue	$ 180,646	$ 186,586	$ 184,386	$ 45,489	$ 45,686
Salaries and benefits	110,966	113,870	113,931	27,813	29,502
Other operating expenses	37,704	37,607	38,146	8,944	9,907
Provision for bad debts	1,902	(309)	525	56	208
Interest expense	12,488	9,572	7,514	1,954	1,726
Depreciation and amortization	9,419	7,052	3,456	914	819