

WEBMD HEALTH CORP.
Filed by
KKR NORTH AMERICA FUND XI L.P.

FORM SC TO-C
(Written communication relating to an issuer or third party)

Filed 07/24/17

Address	395 HUDSON STREET NEW YORK, NY 10014
Telephone	212-624-3700
CIK	0001326583
Symbol	WBMD
SIC Code	7389 - Business Services, Not Elsewhere Classified
Industry	Internet Services
Sector	Technology
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE TO
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934**

WEBMD HEALTH CORP.

(Name of Subject Company (Issuer))

**DIAGNOSIS MERGER SUB, INC.
(Offeror)**

a direct wholly owned subsidiary of

**MH SUB I, LLC
(Parent of Offeror)**

**KKR NORTH AMERICA FUND XI L.P.
(Other Person)**

(Names of Filing Persons (identifying status as Offeror, Issuer or Other Person))

**COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(Title of Class of Securities)**

94770V102

(CUSIP Number of Class of Securities)

**B. Lynn Walsh
DIAGNOSIS MERGER SUB, INC.
909 N. Sepulveda Blvd., 11th Floor
El Segundo, CA 90245
(310) 280-4000**

(Name, address, and telephone numbers of person authorized to receive notices and communications on behalf of filing persons)

Copies to:

**Marni J. Lerner
Michael T. Holick
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
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CALCULATION OF FILING FEE

Transaction Valuation
Not applicable*

Amount of Filing Fee
Not applicable*

* A filing fee is not required in connection with this filing as it relates solely to preliminary communications made before the commencement of a tender offer.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount Previously Paid: N/A

Filing Party: N/A

Form of Registration No.: N/A

Date Filed: N/A

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- Third-party tender offer subject to Rule 14d-1.
- Issuer tender offer subject to Rule 13e-4.
- Going-private transaction subject to Rule 13e-3.
- Amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer.

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
- Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

The pre-commencement communication filed under the cover of this Schedule TO solely relates to a planned tender offer by Diagnosis Merger Sub, Inc., a Delaware corporation (the “Offeror”), for all of the issued and outstanding shares of common stock, par value \$0.01 per share (the “Common Stock”), of WebMD Health Corp. (the “Company”), pursuant to an Agreement and Plan of Merger, dated as of July 24, 2017, by and among MH Sub I, LLC, a Delaware limited liability company (“Parent”), the Offeror and the Company.

The tender offer for the purchase of the issued and outstanding shares of the Common Stock of the Company described in this communication has not yet commenced. This communication is for informational purposes only and is neither a recommendation nor an offer to purchase nor a solicitation of an offer to sell securities, nor is it a substitute for the tender offer materials that the Offeror will file with the U.S. Securities Exchange Commission (the “SEC”) upon commencement of the tender offer. At the time the tender offer is commenced, the Offeror will file tender offer materials on Schedule TO, and the Company thereafter will file a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC with respect to the tender offer. THE TENDER OFFER MATERIALS (INCLUDING AN OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER TENDER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT, AS THEY MAY BE AMENDED FROM TIME TO TIME, WILL CONTAIN IMPORTANT INFORMATION. HOLDERS OF SHARES OF COMMON STOCK OF THE COMPANY ARE URGED TO READ THESE DOCUMENTS CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION, INCLUDING THE VARIOUS TERMS OF, AND CONDITIONS TO THE TENDER OFFER, THAT HOLDERS OF COMPANY COMMON STOCK SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES. The Offer to Purchase, the related Letter of Transmittal and certain other tender offer documents, as well as the Solicitation/Recommendation Statement, will be made available to all holders of Common Stock of the Company at no expense to them. The tender offer materials, the Solicitation/Recommendation Statement and other related documents (when available) will be made available for free at the SEC’s website at www.sec.gov or by directing a request to the Information Agent for the tender offer who will be named by the Offeror in the tender offer materials.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 99.1	Press Release dated July 24, 2017



WEBMD TO BE ACQUIRED BY KKR's INTERNET BRANDS

WebMD Stockholders to Receive \$66.50 Per Share in Cash

Transaction Valued at Approximately \$2.8 Billion

NEW YORK, NY — July 24, 2017 — WebMD Health Corp. (NASDAQ: WBMD), the leading source of health information, and Internet Brands, a KKR portfolio company, today announced that Internet Brands has entered into a definitive agreement to acquire WebMD in a transaction valued at approximately \$2.8 billion.

Under the terms of the agreement, a subsidiary of Internet Brands will commence a tender offer in the next 10 business days to acquire all of the issued and outstanding shares of WebMD common stock for \$66.50 per share to be paid in cash upon completion of the transaction. This valuation represents a premium of approximately 30 percent to WebMD's share price on February 15, 2017, the day before WebMD announced that it was commencing a process to explore and evaluate potential strategic alternatives, as well as a premium of approximately 20 percent over WebMD's closing share price on July 21, 2017. The financing for the transaction is fully committed. The WebMD Board of Directors approved the merger agreement. The acquisition is expected to close during the fourth quarter of 2017, subject to the satisfaction of customary closing conditions.

"After a thorough review of strategic alternatives, we are pleased to announce this transaction, which provides our stockholders with immediate and significant cash value and a substantial premium," said Martin J. Wygod, Chairman of WebMD. "Throughout this process, our Board has conducted diligent analysis and thoughtful deliberations. WebMD and its financial advisors had a process that involved outreach to more than 100 strategic and financial parties, and we are confident that this transaction maximizes value for our stockholders."

"We believe that this transaction will provide additional flexibility and resources to deliver increased value to consumers, healthcare professionals, employers, and health plan participants," said Steven L. Zatz, M.D., CEO of WebMD. "On behalf of everyone at WebMD, I would like to express our sincere appreciation to our employees for their hard work and dedication. I am confident this will be an exciting new chapter for WebMD."

"WebMD and Medscape are the market leaders in online health with unparalleled reach to consumers and healthcare professionals," said Bob Brisco, CEO of Internet Brands. "Since its founding, WebMD has established itself as a trusted resource for health information. We look forward to delivering that resource to even more users, by leveraging our combined resources and presence in online healthcare to catalyze WebMD's future growth."

"KKR and Internet Brands are pleased to be investing behind the experienced WebMD management team and trusted WebMD platforms. The combined portfolio of leading vertical internet assets will be a powerful one," said Herald Chen, Chairman of Internet Brands, KKR Member and Head of the Technology industry team. "We look forward to supporting and accelerating the growth and global expansion of the businesses."

Internet Brands' Health vertical serves millions of consumers and more than 50,000 health care practices utilizing a multi-brand, multi-product approach. The company is the leading SaaS / Web Hosting player in the Health space, serving a wide variety of practice areas, including Dental, Chiropractic, Veterinary, Vision Care, and Mental / Physical Therapy. Its Health SaaS businesses provide web presence, online

marketing, and practice management solutions to practices across the United States. These businesses include Demandforce, Officite, Sesame Communications, and Baystone Media. The company's consumer-focused health brands provide content and online communities for consumers in search of health-related information. These include DentalPlans.com, eHealthForum.com, HealthBoards.com, FitDay.com and VeinDirectory.org.

Equity financing for the transaction is being provided primarily by KKR's private equity funds.

J.P. Morgan Securities LLC is serving as the exclusive financial advisor to WebMD and Shearman & Sterling LLP is serving as legal advisor. Simpson Thacher & Bartlett LLP is serving as legal advisor to Internet Brands.

About WebMD

WebMD Health Corp. (NASDAQ: WBMD) is the leading provider of health information services, serving consumers, physicians, healthcare professionals, employers, and health plans through its public and private online portals, mobile platforms and health-focused publications.

The WebMD Health Network includes WebMD.com, Medscape.com, MedicineNet.com, eMedicineHealth.com, RxList.com, OnHealth.com, Medscape Education (Medscape.org) and other WebMD owned sites and apps.

About Internet Brands

Headquartered in El Segundo, Calif., Internet Brands® is a fully integrated online media and software services organization focused on four high-value vertical categories: Automotive, Health, Legal and Home / Travel. The company's award-winning consumer websites lead their categories and serve more than 100 million monthly visitors, while a full range of web presence offerings has established deep, long-term relationships with SMB and enterprise clients. Internet Brands' powerful, proprietary operating platform provides the flexibility and scalability to fuel the company's continued growth. Internet Brands is a portfolio company of KKR and Temasek. For more information, please visit www.internetbrands.com.

About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE:KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

Forward-Looking Statements

Any forward-looking statements, including, but not limited to, statements regarding the proposed transaction between KKR and WebMD, the expected timetable for completing the transaction, strategic and other potential benefits of the transaction, and other statements about KKR or WebMD managements' future expectations, beliefs, goals, plans or prospects, are subject to risks and uncertainties such as those described in KKR's and WebMD's periodic reports on file with the Securities and Exchange Commission. These statements speak only as of the date of this press release and are based on KKR's and WebMD's current plans and expectations and involve risks and uncertainties that could cause actual future events or results to be different from those described in or implied by such forward-looking statements, including risks and uncertainties regarding: changes in financial markets; changes in economic, political or regulatory conditions or other trends affecting the healthcare, Internet and information technology industries; and changes in facts and circumstances and other uncertainties concerning the proposed transaction. Further information about these matters can be found in KKR's and WebMD's Securities and Exchange Commission filings. KKR and WebMD caution investors not to place considerable reliance on the forward-looking statements contained in this press release. Except as required by applicable law or regulation, KKR and WebMD do not undertake any obligation to update or revise any of their forward-looking statements to reflect future events or circumstances.

Important additional information will be filed with the U.S. Securities and Exchange Commission

This press release is for informational purposes only and is neither a recommendation, an offer to purchase nor a solicitation of an offer to sell securities, nor is it a substitute for the tender offer materials that Diagnosis Merger Sub, Inc. ("Offeror") will file with the U.S. Securities Exchange Commission (the "SEC") upon commencement of the tender offer. At the time the tender offer is commenced, the Offeror will file tender offer materials on Schedule TO, and WebMD thereafter will file a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC with respect to the tender offer. THE TENDER OFFER MATERIALS (INCLUDING AN OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER TENDER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT, AS THEY MAY BE AMENDED FROM TIME TO TIME, WILL CONTAIN IMPORTANT INFORMATION. HOLDERS OF SHARES OF COMMON STOCK OF WEBMD ARE URGED TO READ THESE DOCUMENTS CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION, INCLUDING THE VARIOUS TERMS OF, AND CONDITIONS TO THE TENDER OFFER, THAT HOLDERS OF COMMON STOCK OF WEBMD SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES. The Offer to Purchase, the related Letter of Transmittal and certain other tender offer documents, as well as the Solicitation/Recommendation Statement, will be made available to all holders of common stock of WebMD at no expense to them. The tender offer materials, the Solicitation/Recommendation Statement and other related documents (when available) will be made available for free at the SEC's website at www.sec.gov or by directing a request to the Information Agent for the tender offer who will be named by the Offeror in the tender offer materials.

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