

HEALTHSOUTH Earnings Meet Consensus Estimates; EBITDA Margin, Accounts Receivable Days Improve

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HEALTHSOUTH Corporation announced operating results for the quarter and six months ended June 30, 2000. For the quarter, HEALTHSOUTH's revenues were \$1.036 billion, as compared to \$1.048 billion for the second quarter of 1999. Net income for the 2000 quarter was \$65.2 million, compared to net income of \$114.0 million in the 1999 quarter. Earnings per share (assuming dilution) were \$.17 for the 2000 quarter, consistent with consensus Wall Street estimates, compared to \$.27 in the 1999 quarter. For the quarter, the company's earnings before interest, taxes, depreciation and amortization (EBITDA) margin was 26.6%, marking the second consecutive quarter of increase in its EBITDA margin.

For the six months ended June 30, 2000, HEALTHSOUTH's revenues were \$2.058 billion, compared to \$2.078 billion in the 1999 period. Net income for the 2000 period was \$130.5 million, compared to \$223.9 million in the 1999 period. Earnings per share (assuming dilution) for the 2000 period were \$.33, compared to \$.52 for the same period in 1999.

"We continue to see positive results from our intense focus on operational improvements," said Richard M. Scrushy, Chairman of the Board and Chief Executive Officer of HEALTHSOUTH. "In the second quarter, we saw continued improvement in our EBITDA margin, as well as increases in average pricing in three of our primary lines of business and volume increases in all of our ambulatory lines. In addition, our accounts receivable days continued to decline, to 80.4 days at the end of the quarter. At the same time, our facility acquisitions and start-up development continue on course, and we are in the midst of an extensive new syndication program in our surgery centers. We look forward to moving ahead with our strategic plan in the second half of 2000."

HEALTHSOUTH is the nation's largest provider of outpatient surgery, diagnostic imaging and rehabilitative healthcare services, with over 2,000 locations in all 50 states, the United Kingdom, Australia and Puerto Rico. HEALTHSOUTH can be found on the Web at <http://www.healthsouth.com/>.

Statements contained in this press release which are not historical facts are forward-looking statements. Without limiting the generality of the preceding statement, all statements in this press release concerning or relating to estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results are forward-looking statements. In addition, HEALTHSOUTH, through its senior management, may from time to time make forward-looking public statements concerning the matters described herein. Such forward-looking statements are necessarily estimates reflecting the best judgment of HEALTHSOUTH's senior management based upon current information, involve a number of risks and uncertainties and are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. HEALTHSOUTH's actual results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors, including those identified in this press release and in the public filings made by HEALTHSOUTH with the Securities and Exchange Commission, including HEALTHSOUTH's Annual Report on Form 10-K for the year ended December 31, 1999 and its Quarterly Reports on Form 10-Q, and forward-looking statements contained in this press release or in other public statements of HEALTHSOUTH or its senior management should be considered in light of those factors. There can be no assurance that such factors or other factors will not affect the accuracy of such forward-looking statements.

HEALTHSOUTH Corporation
Summary Operating Results
(unaudited; in thousands, except per share data)

	Three Months Ended June 30, 2000		Six Months Ended June 30, 2000	
	1999		1999	
Revenues	\$ 1,036,322	\$ 1,047,632	\$ 2,057,658	\$ 2,078,179
Net income	\$ 65,213	\$ 114,005	\$ 130,539	\$ 223,912
Weighted average common shares outstanding	385,404	414,193	385,524	416,600
Weighted average common shares and				

common equivalent
shares outstanding
-- assuming
dilution 390,376 437,933 389,705 440,129

Net income per
common share \$ 0.17 \$ 0.28 \$ 0.34 \$ 0.54

Net income per
common share
-- assuming
dilution \$ 0.17 \$ 0.27 \$ 0.33 \$ 0.52

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SOURCE: HEALTHSOUTH Corporation

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