

HEALTHSOUTH Net Income Up 26% for Fourth Quarter

PRNewswire
BIRMINGHAM, Ala.

HEALTHSOUTH Corporation announced operating results for the quarter and year ended December 31, 2000. For the quarter, HEALTHSOUTH's revenues were \$1.077 billion, an increase of nearly 8% as compared to \$1.001 billion for the fourth quarter of 1999. Net income for the 2000 quarter was \$76.9 million, an increase of nearly 26% compared to income before unusual and non-recurring expenses of \$61.2 million in the 1999 quarter. Earnings per share (assuming dilution) were \$.19 for the 2000 quarter, consistent with consensus Wall Street estimates, an increase of 19% as compared to income per share before unusual and non-recurring expenses (assuming dilution) of \$.16 in the 1999 quarter. For the quarter, the company's earnings before interest, taxes, depreciation and amortization (EBITDA) margin was 27.9%, compared to 25.8% in the fourth quarter of 1999, marking the fourth consecutive quarter of increase in its EBITDA margin.

For the year ended December 31, 2000, HEALTHSOUTH's revenues were \$4.195 billion, compared to \$4.072 billion for 1999. Net income for 2000 was \$278.5 million, compared to income before unusual and non-recurring expenses of \$352.0 million for 1999. Earnings per share (assuming dilution) for 2000 were \$.71, compared to income per share before non-recurring expenses (assuming dilution) of \$.85 for 1999.

"In the fourth quarter, we continued to build stockholder value through the successful execution of our strategic plan," said Richard M. Scrushy, Chairman of the Board and Chief Executive Officer of HEALTHSOUTH. "As we completed our first full year under the streamlined management structure we announced in 1999, we saw another quarter of record revenues and improved EBITDA margins, along with year-over-year volume growth and positive pricing momentum. During the quarter, we also closed on an expanded bank credit facility and unveiled our redesigned healthsouth.com Website, offering personalized services and information for patients and physicians as well as information for investors. We strongly believe that the strides we made in 2000 will help us continue to build upon our franchise in the year ahead."

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, Puerto Rico and Canada. HEALTHSOUTH can be found on the Web at <http://www.healthsouth.com/>.

HEALTHSOUTH will hold a conference call to discuss its third quarter results at 10:00 a.m. Central Time on Tuesday, March 6. Simultaneously with the conference call, a "webcast" of the call will be available to interested parties at <http://www.healthsouth.com/> via an Internet link under the "Investor Relations" section and also at <http://www.streetfusion.com/>. A replay of the call will be available at the same Internet site addresses for 30 days following the call.

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.

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2000	1999	2000	1999
Revenues	\$1,077,001	\$1,000,587	\$4,195,115	\$4,072,107
Net income	\$76,888	\$(143,065)	\$278,465	\$76,517

Weighted average common shares outstanding	386,226	387,018	385,666	408,195
Weighted average common shares outstanding				
-- assuming dilution	395,356	387,018	391,016	414,020
Net income per common share	\$0.20	\$(0.37)	\$0.72	\$0.19
Net income per common share -- assuming dilution	\$0.19	\$(0.37)	\$0.71	\$0.18

ADJUSTMENT TO EXCLUDE UNUSUAL
AND NON-RECURRING EXPENSES IN 1999

Net income	\$76,888	\$(143,065)	\$278,465	\$76,517
Unusual and non-recurring expenses, net of minority interests	--	321,144	--	438,897
Income tax benefit of unusual and non-recurring expenses	--	(116,873)	--	(163,385)
Income excluding effects of unusual and non-recurring expenses	\$76,888	\$61,206	\$278,465	\$352,029
Weighted average common shares outstanding				
-- assuming dilution	395,356	389,667	391,016	429,521
Income per common share excluding effects of unusual and non-recurring expenses				
-- assuming dilution	\$0.19	\$0.16	\$0.71	\$0.85

HEALTHSOUTH Corporation and Subsidiaries
Consolidated Statements of Income
Three Months Ended December 31, 2000 and 1999
(UNAUDITED - In thousands, except per share amounts)

	2000	1999(a)	
Revenues	\$1,077,001	\$1,000,587	
Operating unit expenses	710,037	683,456	
Corporate general and administrative expenses		40,893	33,681
Provision for doubtful accounts	25,555	25,187	
Depreciation and amortization	91,746	89,260	
Impairment and restructuring charges	--	--	
Interest expense	59,715	49,628	
Interest income	(1,770)	(2,699)	
	926,176	878,513	
Income before income taxes and minority interests	150,825	122,074	
Provision for income taxes	50,199	40,439	
	100,626	81,635	
Minority interests	(23,738)	(20,429)	
Net income	\$76,888	\$61,206	
Weighted average common shares outstanding		386,226	387,018
Net income per common share	\$0.20	\$0.16	
Weighted average common shares outstanding			
-- assuming dilution	395,356	389,667	
Net income per common share -- assuming dilution:	\$0.19	\$0.16	
Add-back to income for diluted earnings per share:			
Interest and amortization on convertible debt	\$ *	\$ *	

(a) Excludes unusual and non-recurring expenses
* The effect of these securities was antidilutive.

HEALTHSOUTH Corporation and Subsidiaries
Consolidated Statements of Income
Twelve Months Ended December 31, 2000 and 1999
(In thousands, except per share amounts)

2000(a) 1999(b)

Revenues	\$4,195,115	\$4,072,107
Operating unit expenses	2,816,363	2,648,666
Corporate general and administrative expenses	148,023	119,487
Provision for doubtful accounts	98,037	85,121
Depreciation and amortization	360,847	374,248
Impairment and restructuring charges	--	--
Interest expense	221,595	176,652
Interest income	(9,104)	(10,587)
	3,635,761	3,393,587
Income before income taxes and minority interests	559,354	678,520
Provision for income taxes	181,808	230,314
	377,546	448,206
Minority interests	(99,081)	(96,177)
Net income	\$278,465	\$352,029
Weighted average common shares outstanding	385,666	408,195
Net income per common share	\$0.72	\$0.86
Weighted average common shares outstanding -- assuming dilution	391,016	429,521
Net income per common share -- assuming dilution:	\$0.71	\$0.85
Add-back to income for diluted earnings per share:		
Interest and amortization on convertible debt	\$ --	\$12,447

(a) Unaudited

(b) Excludes unusual and non-recurring expenses

* The effect of these securities was antidilutive.

HEALTHSOUTH Corporation and Subsidiaries
Consolidated Statements of Income
Three Months Ended December 31, 2000 and 1999
(UNAUDITED - In thousands, except per share amounts)

	2000	1999
Revenues	\$1,077,001	\$1,000,587
Operating unit expenses	710,037	723,639
Corporate general and administrative expenses	40,893	63,479
Provision for doubtful accounts	25,555	165,021
Depreciation and amortization	91,746	89,260
Impairment and restructuring charges	--	121,037
Interest expense	59,715	49,628
Interest income	(1,770)	(2,699)
	926,176	1,209,365
Income before income taxes and minority interests	150,825	(208,778)
Provision for income taxes	50,199	(76,434)
	100,626	(132,344)
Minority interests	(23,738)	(10,721)
Net income	\$76,888	\$(143,065)
Weighted average common shares outstanding	386,226	387,018
Net income per common share	\$0.20	\$(0.37)
Weighted average common shares outstanding -- assuming dilution	395,356	387,018
Net income per common share -- assuming dilution:	\$0.19	\$(0.37)
Add-back to income for diluted earnings per share:		
Interest and amortization on convertible debt	\$ *	\$ *

* The effect of these securities was antidilutive.

HEALTHSOUTH Corporation and Subsidiaries
Consolidated Statements of Income
Twelve Months Ended December 31, 2000 and 1999
(In thousands, except per share amounts)

	2000(a)	1999
Revenues	\$4,195,115	\$4,072,107
Operating unit expenses	2,816,363	2,688,849
Corporate general and administrative expenses	148,023	149,285
Provision for doubtful accounts	98,037	342,708
Depreciation and amortization	360,847	374,248
Impairment and restructuring charges	--	121,037
Interest expense	221,595	176,652
Interest income	(9,104)	(10,587)
	3,635,761	3,842,192
Income before income taxes and minority interests	559,354	229,915
Provision for income taxes	181,808	66,929
	377,546	162,986
Minority interests	(99,081)	(86,469)
Net income	\$278,465	\$ 76,517
Weighted average common shares outstanding	385,666	408,195
Net income per common share	\$0.72	\$0.19
Weighted average common shares outstanding -- assuming dilution	391,016	414,020
Net income per common share -- assuming dilution:	\$0.71	\$0.18
Add-back to income for diluted earnings per share:		
Interest and amortization on convertible debt	\$ *	\$ *

(a) Unaudited

* The effect of these securities was antidilutive.

HEALTHSOUTH Corporation
Quarterly Statistics (Unaudited)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Outpatient Division					
Total Visits:					
1998	2,037,402	2,193,435	2,349,112	2,414,172	8,994,121
1999	2,431,015	2,533,341	2,590,112	2,589,238	10,143,706
2000	2,659,111	2,703,664	2,625,632	2,670,339	10,658,746
Inpatient Division					
Total Patient Days:					
1998	554,234	564,466	572,863	584,152	2,275,715
1999	614,686	626,262	608,878	621,349	2,471,175
2000	647,575	643,441	668,451	650,987	2,610,454
Medical Center Division					
Total Patient Days:					
1998	30,136	30,201	29,039	29,546	118,922
1999	30,537	30,254	27,837	27,621	116,249
2000	32,288	29,626	30,934	31,470	124,318
Surgery Center Division					
Total Cases:					
1998	162,220	165,705	209,265	217,937	755,127
1999	215,139	220,699	208,468	218,988	863,294
2000	217,505	220,593	212,647	219,321	870,066
Diagnostic Division					
Total Procedures:					
1998	155,730	163,789	176,380	194,942	690,841

1999	200,496	205,909	191,493	198,728	796,626
2000	213,505	221,052	242,647	250,621	927,825

For more information, contact Richard M. Scrushy, Chairman & CEO, or Tadd McVay, Senior Vice President and Treasurer, at 205-967-7116.

SOURCE: HEALTHSOUTH Corporation

Contact: Richard M. Scrushy, Chairman & CEO, or Tadd McVay, Senior Vice President and Treasurer, both of HEALTHSOUTH, 205-967-7116

Website: <http://www.healthsouth.com/>

<http://healthsouth.mediaroom.com/2001-03-06-HEALTHSOUTH-Net-Income-Up-26-for-Fourth-Quarter>