

HEALTHSOUTH Net Income Up 15% for First Quarter

PRNewswire
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HEALTHSOUTH Corporation announced operating results for the quarter ended March 31, 2001. For the first quarter, HEALTHSOUTH's revenues were \$1.090 billion, an increase of 7% as compared to \$1.021 billion for the first quarter of 2000. Net income for the 2001 quarter was \$75.3 million, an increase of 15% compared to net income of \$65.3 million in the 2000 quarter. Earnings per share (assuming dilution) were \$.19 for the 2001 quarter, consistent with consensus Wall Street estimates, an increase of 12% as compared to earnings per share (assuming dilution) of \$.17 in the 2000 quarter. For the quarter, the company's earnings before interest, taxes, depreciation and amortization (EBITDA) margin was 27.3%, compared to 26.4% in the first quarter of 2000.

"The first quarter of 2001 showed a continuation of the improvement in key operating statistics that we saw in 2000," said Richard M. Scrushy, Chairman of the Board and Chief Executive Officer of HEALTHSOUTH. "In addition to continued growth in revenues, net income and earnings per share, we saw favorable same-store volume and pricing trends in the quarter, despite the effects of having an extra business day in the 2000 quarter due to the leap year. We are especially pleased with the performance of our surgery center operations, which produced same-store volume growth of 4.4% over the 2000 quarter. We believe this reflects the early successes of our focused syndication efforts in our surgery centers. During the quarter, we also announced the pending divestiture of our occupational medicine operations, which closed this week, and of our Richmond, Virginia acute-care hospital, which we expect to close near the end of the month. The net proceeds from these transactions will be used to pay down bank debt. We closed out the quarter with the announcement of a strategic partnership with Oracle Corporation to build the world's first digital hospital, reinforcing our position as a leader in healthcare innovation."

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 first quarter results at 9:00 a.m. Central Time on Thursday, April 26. 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, 2000 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	
	March 31,	
	2001	2000
Revenues	\$ 1,090,462	\$ 1,021,335
Net income	\$75,311	\$65,326
Weighted average common shares outstanding	388,143	385,644

Weighted average common shares and common equivalent shares outstanding -- assuming dilution	398,456	389,019
Net income per common share	\$0.19	\$0.17
Net income per common share -- assuming dilution	\$0.19	\$0.17

HEALTHSOUTH Corporation and Subsidiaries
Consolidated Statements of Income
(UNAUDITED - In thousands, except per share amounts)

	Three Months Ended March 31,	
	2001	2000
Revenues	\$1,090,462	\$1,021,335
Operating unit expenses	736,046	693,993
Corporate general and administrative expenses	32,655	34,021
Provision for doubtful accounts	24,383	23,256
Depreciation and amortization	91,219	89,655
Interest expense	59,420	49,560
Interest income	(2,721)	(2,835)
	941,001	887,650
Income before income taxes and minority interests	149,461	133,685
Provision for income taxes	49,170	42,651
	100,291	91,034
Minority interests	(24,981)	(25,708)
Net income	\$75,311	\$65,326
Weighted average common shares outstanding	388,143	385,644
Net income per common share	\$0.19	\$0.17
Weighted average common shares outstanding -- assuming dilution	398,456	389,019
Net income per common share -- assuming dilution:	\$0.19	\$0.17
Add-back to income for diluted earnings per share:		
Interest and amortization on convertible debt	---	---
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* 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:					
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
2001	2,590,712	2,590,712			
Inpatient Division Total Patient Days:					
1999	614,686	626,262	608,878	621,349	2,471,175
2000	647,575	643,441	668,451	650,987	2,610,454
2001	653,434	653,434			
Medical Center Division Total Patient Days:					

1999	30,537	30,254	27,837	27,621	116,249
2000	32,288	29,626	30,934	31,470	124,318
2001	37,154	37,154			

Surgery Center Division Total Cases:

1999	215,139	220,699	208,468	218,988	863,294
2000	217,505	220,593	212,647	219,321	870,066
2001	219,777	219,777			

Diagnostic Division Total Procedures:

1999	200,496	205,909	191,493	198,728	796,626
2000	213,505	221,052	242,647	250,621	927,825
2001	268,645	268,645			

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

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SOURCE: HEALTHSOUTH Corporation

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

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

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