

HEALTHSOUTH Comments on Option Exercise by Its Chairman and CEO

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HEALTHSOUTH Corporation today issued the following statement:

On May 14, 2002, Richard M. Scrushy, Chairman of the Board and Chief Executive Officer of HEALTHSOUTH, exercised options he has held since 1992 and simultaneously sold the related 5,275,360 shares of HEALTHSOUTH common stock in a block transaction to an unaffiliated broker. A major portion of the options were scheduled to expire on May 15, 2002, with the remainder expiring in June 2002. The options had an exercise price of \$3.7825 per share. The transaction will be reported to the Securities and Exchange Commission in accordance with SEC rules.

These options were granted to Mr. Scrushy in 1992 in recognition of his significant contribution to the company since founding it in 1984. The transaction, which was implemented for personal estate planning and financial diversification reasons, represents Mr. Scrushy's first sale of HEALTHSOUTH stock since 1997. Mr. Scrushy continues to beneficially own 16,629,595 shares of HEALTHSOUTH common stock, in the form of shares owned and currently exercisable stock options, or approximately 4.1% of HEALTHSOUTH's outstanding common stock.

There are no additional options held by HEALTHSOUTH executive officers remaining to be exercised from the pool of options expiring in May and June, and Mr. Scrushy has no intention of selling additional shares in the near future.

HEALTHSOUTH recently announced a 42% increase in earnings per share for the first quarter of 2002 as compared to the first quarter of 2001.

HEALTHSOUTH is the nation's largest provider of outpatient surgery, diagnostic imaging and rehabilitative healthcare services, with approximately 1,900 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/>.

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

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SOURCE: HEALTHSOUTH Corporation

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