

HEALTHSOUTH Engages Two National Firms in Search for Independent Directors

PRNewswire-FirstCall
BIRMINGHAM, Ala.

HEALTHSOUTH Corporation today announced that its Corporate Governance Committee had engaged two independent search firms to identify and propose additional, independent members for HEALTHSOUTH's board of directors. Both firms, The Directorship Search Group and Spencer Stuart, are recognized in the industry for their ability to recruit qualified, talented candidates as potential directors.

"The search for new, independent directors is part of the newly formed Governance Committee's plan to review the company's existing corporate governance policies and recommend changes and improvements for consideration," said a spokesperson for the Corporate Governance Committee. "We have researched this subject diligently and are confident that we have selected two of the best search firms available. The Committee looks forward to working with them over the next few months as we locate additional, independent directors to serve on HEALTHSOUTH's board."

"HEALTHSOUTH is proud of this new relationship with Directorship Search Group and Spencer Stuart, both of whom have outstanding reputations in the executive search field," said Chairman of the Board Richard M. Scrushy. "While Institutional Shareholder Services has already found that HEALTHSOUTH outperformed 78.8% of all S&P 500 companies on ISS's Corporate Governance Quotient, we are committed to continued improvement in our governance policies, and we will welcome the addition of new independent directors to our board. In addition, we look forward to announcing, early in 2003, distinguished, experienced independent advisors to our Corporate Governance Committee who will assist the Committee in reviewing our governance standards."

The Directorship Search Group, based in New York, Greenwich and London, consults in executive search, management succession planning and corporate governance. The firm works with leading and emerging companies in recruiting corporate directors, CEOs and other senior executives for firms in financial services, healthcare, telecommunication, technology, law and consumer and industrial products.

Spencer Stuart, based in Philadelphia, Pennsylvania, is one of the pre- eminent executive search firms working with corporate boards of directors. The firm works on more than half of all board recruitments handled through executive search, creating a blend of management consulting and executive search that is best described as executive talent management, and is focused on the long term success of its clients worldwide. Spencer Stuart's clients include numerous Fortune 500 companies across the globe.

The search for new directors is expected to be complete prior to HEALTHSOUTH's Annual Meeting of Stockholders next spring.

HEALTHSOUTH is the nation's largest provider of outpatient surgery, diagnostic imaging and rehabilitative healthcare services, with approximately 1,800 locations in all 50 states, the United Kingdom, Australia, Puerto Rico, Saudi Arabia and Canada. HEALTHSOUTH can be found on the Web at 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 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, 2001 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.

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SOURCE: HEALTHSOUTH Corporation

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