

## **HEALTHSOUTH Corrects Inaccurate Report About Court Order**

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BIRMINGHAM, Ala.

HEALTHSOUTH Corporation announced that a media report was incorrect in stating that the company had consented to a court order limiting it to making payroll and insurance payments and covering outstanding checks in an amount not to exceed \$200,000.

The court order does not in any way restrict HEALTHSOUTH from continuing to conduct its business in the ordinary course, which the company is continuing to do while cooperating fully with all ongoing investigations. As described by the Securities and Exchange Commission in its Press Release No. 2003-38, the Company "consented to a court order (1) requiring that the company place in escrow, under the Court's supervision, all extraordinary payments (whether compensation or otherwise) to its directors, officers, partners, controlling persons, agents, or employees, pursuant to Section 1103 of the Sarbanes-Oxley Act of 2002, (2) prohibiting the company and its employees from destroying documents relating to the company's financial activities and/or the allegations in the Commission's case against HEALTHSOUTH and [Richard M.] Scrushy, and (3) providing for expedited discovery in the Commission's case." "Extraordinary payments" do not include employee salaries paid in the ordinary course of business, and the Company is not restricted from meeting its payroll.

In addition, the Company reported that the New York Stock Exchange has indicated that it will continue to suspend trading in the Company's stock on Friday, March 21, while it reviews the suitability for continued listing in light of all relevant circumstances involving the Company.

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 the nature or status of the investigation described 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.

For more information, contact:  
Ernie Knewitz, Euro RSCG Life  
205-410-2777

SOURCE: HEALTHSOUTH Corporation

CONTACT: Ernie Knewitz of Euro RSCG Life, +1-205-410-2777, for  
HEALTHSOUTH Corporation

Web site: <http://www.healthsouth.com/>

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