

HealthSouth Makes Conforming Amendment to the Terms of its Consent Solicitation for its 10-3/4% Senior Subordinated Notes Due 2008

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HealthSouth Corp. (OTC Pink Sheets: HLSH) today announced that it is amending its solicitation of consents from holders of its 10-3/4% Senior Subordinated Notes due 2008 to conform the definition of "Refinancing Indebtedness" with the definition in the indentures for its Senior Notes. This amendment would make the definition of "Refinancing Indebtedness" consistent with the provisions in the Company's series of Senior Notes and permit the incurrence of indebtedness that is applied to refund, refinance or extend indebtedness that was outstanding on September 25, 2000, as well as indebtedness permitted to be incurred thereafter.

HealthSouth is not further extending the expiration date of this solicitation, which is currently scheduled to expire at 11:59 p.m., New York City Time, on May 13, 2004. In order to provide holders with sufficient time to consider the proposed amendments, as modified today, HealthSouth will not close the consent solicitation relating to the 10-3/4% Senior Subordinated Notes due 2008 prior to the consent expiration date of May 13, 2004. The proposed amendments will become effective only upon satisfaction or waiver by HealthSouth of certain conditions which include receipt of valid and unrevoked consents from holders representing not less than a majority in aggregate principal amount of outstanding notes for a series.

This news release is not a solicitation of consents with respect to any securities. The consent solicitations are being made only pursuant to the terms and conditions of the consent solicitation statements relating to each series of notes and the accompanying documents. These documents can be obtained from Innisfree M&A Incorporated, the information agent, at 212-750-5833 (Banks and Brokers Call Collect) or 888-750-5834 (Noteholders Call Toll-Free). Questions regarding the solicitations should be directed to Credit Suisse First Boston, the solicitation agent, at 800-820-1653.

About HealthSouth

HealthSouth is the nation's largest provider of outpatient surgery, diagnostic imaging and rehabilitative healthcare services, with nearly 1,700 locations nationwide and abroad. 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. 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. While it is impossible to identify all such factors, factors which could cause actual results to differ materially from those estimated by HealthSouth include, but are not limited to: the investigations by the Department of Justice and the Securities Exchange Commission into HealthSouth's financial reporting and related activity; HealthSouth's statement that as a result of the investigations, the Company's previously filed financial statements should no longer be relied upon and may result in the Company restating its prior financial statements; the withdrawal by HealthSouth's former accountants of their audit reports on all of the Company's previously filed financial statements; the outcome of pending litigation relating to these matters; significant changes in HealthSouth's management team; HealthSouth's ability to successfully amend, restructure and/or renegotiate its existing indebtedness or cure or receive a waiver of alleged defaults under such agreements, the inability of which may result in HealthSouth filing a voluntary petition for bankruptcy; HealthSouth's ability to continue to operate in the ordinary course and manage its relationships with its creditors, including its lenders, bondholders, vendors and suppliers, employees and customers; changes, delays in or suspension of reimbursement for HealthSouth's services by governmental or private payors; changes in the regulation of the healthcare industry at either or both of the federal and state levels; changes to the implementation of the prospective payment system for inpatient rehabilitation services; competitive pressures in the healthcare industry and HealthSouth's response thereto; HealthSouth's ability to obtain and retain favorable arrangements with third-party payors; general conditions in the economy and capital markets; and other factors which may be identified from time to time in the Company's SEC filings and other public announcements.

For more information contact Andy Brimmer at 205-410-2777.

SOURCE: HealthSouth Corporation

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

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