

HealthSouth Appoints Robert P. May as Non-Executive Chairman of the Board

Invites Charles M. Elson to join the Board of Directors

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HealthSouth Corporation (OTC Pink Sheets: HLSH) announced today that the Special Committee of the Board of Directors has appointed Robert P. May as non-executive Chairman of the Board. Mr. May, who has been a member of HealthSouth's Board of Directors since October 2002, had previously served as the Company's Interim Chief Executive Officer from March 2003 until the appointment of Jay Grinney in May 2004.

Joel C. Gordon, who had been serving as HealthSouth's Interim Chairman since March 2003, has been designated Chairman Emeritus by the Special Committee in recognition of his outstanding contributions to HealthSouth. Mr. Gordon will continue to serve as a member of the Board of Directors. As announced in December 2003, HealthSouth said that Mr. Gordon would serve as Interim Chairman until such time as the turnaround of the Company was largely accomplished.

"I am honored to be taking on the role of HealthSouth's Chairman of the Board," said Mr. May. "I look forward to being of continuing assistance, along with my fellow directors, in working with the new management team as they achieve their goals of solid growth and profitability for HealthSouth."

"It has been a great privilege to serve as HealthSouth's Interim Chairman during a time of significant challenges," said Mr. Gordon. "We have come a long way since the events of March 2003 and I am very proud of HealthSouth's outstanding employees and their many accomplishments."

HealthSouth also announced today that Charles M. Elson, 44, has accepted an offer to join its Board of Directors and the Special Committee. Mr. Elson is expected to join the Board of Directors effective September 1, 2004. Mr. Elson is one of the nation's leading experts in corporate governance and is the Edgar S. Woolard, Jr., Chair in Corporate Governance and the Director of the John L. Weinberg Center for Corporate Governance at the University of Delaware. Mr. Elson has served as an advisor to HealthSouth's Board's Governance Committee since January 27, 2003.

"We are delighted to welcome Charles to the Board of Directors," said Jay Grinney, HealthSouth's President and Chief Executive Officer. "HealthSouth is dedicated to conducting our business with the highest level of integrity while maximizing value for its investors. I am confident that HealthSouth will benefit greatly from Charles's expertise in these and other important areas."

Mr. Elson has served on the National Association of Corporate Directors' Commissions on Director Compensation, Executive Compensation and the Role of the Compensation Committee, Director Professionalism, CEO Succession, Audit Committees, Strategic Planning, and Director Evaluation, was a member of its Best Practices Council on Coping with Fraud and Other Illegal Activity, and presently serves on that organization's Advisory Council. In addition, Mr. Elson serves as Vice Chairman of the American Bar Association's Committee on Corporate Governance and is a member of the American Bar Association's Committee on Corporate Laws. He is a graduate of Harvard College and the University of Virginia Law School, and has served as a law clerk to Judges J.

Harvie Wilkinson III and Elbert P. Tuttle of the United States Court of Appeals for the Fourth and Eleventh Circuits.

About HealthSouth

HealthSouth is the nation's largest provider of outpatient surgery, diagnostic imaging and rehabilitative healthcare services, operating facilities nationwide and abroad. HealthSouth can be found on the Web at <http://www.healthsouth.com/>.

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

SOURCE: HealthSouth Corporation

CONTACT: Andy Brimmer of HealthSouth Corporation, +1-205-410-2777

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