

HealthSouth Announces Change to Board of Directors

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HealthSouth Corporation (OTC Pink Sheets: HLSH) today announced that Joel C. Gordon has voluntarily resigned from its Board of Directors and as Chairman Emeritus effective May 10, 2005.

"Joel Gordon has gone above and beyond the call of duty in his years of service and dedication to HealthSouth," said Robert P. May, Chairman of HealthSouth's Board of Directors. "After the very serious events of 2003, Joel courageously stepped in as Interim Chairman of the Board and was invaluable in turning the company around. His leadership, industry knowledge and determination brought us through some very difficult times and into what we believe will be a very successful future."

"On behalf of the current management team and HealthSouth's more than 41,000 employees, we would like to thank Joel for his dedication, service, and leadership," HealthSouth President and CEO Jay Grinney added. "Personally, I am grateful for the insight and personal wisdom Joel provided to me as I assumed my role at HealthSouth. We will certainly miss him and wish him well in all his future endeavors."

"I am pleased to have served as Interim Chairman and Board member as the company met a number of challenges in the last several years and as the Board selected Jay Grinney as the Company's CEO," said Gordon. "As a Board member, I recognize that I have reached the retirement age mandated by the company's Corporate Governance Guidelines. I have reflected on the accomplishments of the current management team over the last year and personally have complete confidence in their ability to lead HealthSouth through the challenges ahead to better financial and operational health."

About HealthSouth

HealthSouth is one of the nation's largest providers of outpatient surgery, diagnostic imaging and rehabilitative healthcare services, operating facilities nationwide. HealthSouth can be found on the Web at <http://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 and Exchange Commission into HealthSouth's financial reporting and related activity calling into question the accuracy of the Company's previously filed financial statements; 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 the events of default under such agreements, the failure 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 or delays in 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.

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