

HealthSouth Updates Stockholders on Accomplishments at 2005 Annual Meeting of Stockholders

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HealthSouth Corporation (OTC Pink Sheets: HLSH) today held its 2005 annual meeting of stockholders to, among other things, elect directors and provide an update on the company's achievements since its last stockholder meeting in 2002.

The board's nominated slate of directors, which included all of the current directors, was overwhelmingly approved by stockholders at the meeting: Jon F. Hanson, Chairman; Steven R. Berrard; Edward A. Blechschmidt; Donald L. Correll; Yvonne M. Curl; Charles M. Elson; Jay Grinney (HealthSouth's President and Chief Executive Officer); Leo I. Higdon, Jr.; John E. Maupin, Jr.; and L. Edward Shaw, Jr.

"I would like to thank my fellow directors for their efforts during a challenging time for the company and would like to extend my sincere appreciation to HealthSouth's employees, whose commitment to integrity, compliance and delivering quality care to our patients each and every day, made our success to date possible," said HealthSouth Chairman of the Board Jon F. Hanson.

Some of the accomplishments achieved since the last stockholders' meeting in 2002 include:

- The transformation of the company's corporate culture, particularly at the corporate headquarters, from one that was CEO-centric to one truly comprised of the "Many Faces of HealthSouth" and one that recognizes its employees as its most valuable asset.
- The creation of an entirely new corporate governance platform with revised corporate governance guidelines and charters for all of the standing committees of the Board of Directors that either meet or exceed the requirements of the Sarbanes-Oxley Act and other legal and regulatory requirements and also take into account current corporate governance best practices.
- The completion of a transition plan with respect to the company's Board of Directors, bringing a wealth of management, financial, healthcare, corporate governance and marketing expertise to the Board of Directors.
- The completion of a transition of its senior management team, which has seen all of the company's executive officers and a majority of the company's officers appointed to their positions since early 2004.
- A commitment to a strong regulatory compliance function and an effective internal audit function by dedicating substantial financial and other resources to these functions and implementing a number of steps to strengthen them.

"Although we still have work ahead of us," Hanson continued, "I firmly believe we have established the proper foundation for future success at HealthSouth."

The company anticipates being in the position to file its 2005 Form 10-K in a timely manner in the first quarter of 2006 and intends to hold its 2006 annual meeting of stockholders during the second quarter of 2006.

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/>.

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