

## HealthSouth Files First Quarter Earnings Release

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BIRMINGHAM, Ala.

HealthSouth Corporation (OTC Pink Sheets: HLSH) today filed its quarterly financial statements on Form 10-Q for the period ended March 31, 2006 with the Securities and Exchange Commission (the "SEC"). The filing can be found on the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, HealthSouth will hold an investor conference call at 4 p.m. Eastern Time today, May 15, 2006, to discuss its results for the first quarter of 2006.

"We are very pleased to be filing our first quarterly earnings report with the SEC since September of 2002 and that we were able to do so within the timeframe prescribed by SEC regulations," said HealthSouth President and CEO Jay Grinney. "This is yet another milestone in our continued progress, along with the completion of our recapitalization transactions which allowed us to prepay substantially of our then-existing indebtedness; the global, preliminary agreement in principal with the lead plaintiffs in the federal securities class actions and certain related actions; and the filing of our 2005 Form 10-K on a timely basis, all of which were completed in the first quarter of 2006."

"We are pleased that our two largest divisions, Inpatient and Surgery, were able to achieve positive operating results in the first quarter despite challenging operating environments. This is a testament to the employees in these divisions and the hard work they have done in their respective markets," added Grinney. "We did see softness in our Outpatient Division, but have taken steps to mitigate the issues facing that division, and we expect that their facility rationalization and marketing initiatives will begin to improve operating results in 2006. In the Diagnostic Division, our operating results reflect numerous challenges. Greg Brophy, our newly appointed Diagnostic Division President, has his senior team in place and is focused on efforts to increase scan volumes while, at the same time, evaluating our underperforming facilities and beginning to implement a new information system to improve operational efficiency."

The conference call may be accessed by dialing 800-369-1733 and entering pass code 9314005. International callers should dial 517-319-9288 and enter the same pass code. The conference call will also be webcast live and will be available at <http://www.healthsouth.com/> by clicking on an available link.

A replay of the conference call will be available, beginning approximately two hours after the completion of the conference call, from May 15 to May 31, 2006. To access the replay, please dial 866-373-1986. International callers should dial 203-369-0262. The webcast will also be archived for replay purposes for two weeks after the live broadcast on <http://www.healthsouth.com/>.

### 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 and involve a number of risks and uncertainties. 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 investigation by the Department of Justice into HealthSouth's financial reporting and related activity calling into question the accuracy of the company's previously filed financial statements; the consummation of the proposed settlement of pending litigation relating to these matters; significant changes in HealthSouth's management team; 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; HealthSouth's ability to successfully remediate its internal control weaknesses; 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; competitive pressures in the healthcare industry and HealthSouth's response thereto; HealthSouth's ability to obtain and retain favorable arrangements with third-party payors; HealthSouth's ability to attract and retain nurses, therapists, and other healthcare professionals in a highly competitive environment with often severe staffing shortages; 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, including HealthSouth's Form 10-K for the year ended December

31, 2005 and Form 10-Q for the quarter ended March 31, 2006.

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