

HealthSouth Updates Stockholders on Accomplishments at 2006 Annual Meeting of Stockholders

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HealthSouth Corporation (OTC Pink Sheets: HLSH) today held its 2006 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 December 2005.

The board's nominated slate of directors was overwhelmingly approved by stockholders at the meeting: Jon F. Hanson, Chairman; 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.

"We are very pleased with what HealthSouth has accomplished since our last shareholder meeting," Hanson said. "On behalf of the Board of Directors, I would like to recognize the management team and HealthSouth's 37,000 employees in achieving so much, while continuing to make significant progress on our strategic plan and operational agenda and, of course, providing exceptional healthcare to our patients across the country."

The company stated that, in the past five months, it completed a series of recapitalization transactions, which allowed the company to prepay substantially all of its then-existing indebtedness; reached a global, preliminary agreement in principal with the lead plaintiffs in the federal securities class actions and certain related actions; filed our 2005 Form 10-K on a timely basis; filed its first quarterly earnings report with the SEC since September of 2002 and was able to do so within the timeframe prescribed by SEC regulations; and reached a non-prosecution agreement with the Department of Justice negotiated through the Office of the United States Attorney for the Northern District of Alabama.

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 www.healthsouth.com.

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