

HealthSouth to Purchase Sugar Land Rehabilitation Hospital

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BIRMINGHAM, Ala.

HealthSouth Corporation today announced it has entered into a definitive agreement to purchase Sugar Land Rehabilitation Hospital, a 50-bed inpatient rehabilitation hospital located in southwest Houston, Texas.

"The acquisition of Sugar Land Rehabilitation Hospital extends HealthSouth's outreach in the Houston market by providing high-quality, cost-effective inpatient rehabilitation care to patients in the southwest Houston and Fort Bend county areas," said HealthSouth President and CEO Jay Grinney. "This is a terrific addition to our existing Houston-area network and further demonstrates HealthSouth's commitment to disciplined growth and meeting the needs of patients requiring inpatient rehabilitative care."

This announcement comes on the heels of HealthSouth acquiring Desert Canyon Rehabilitation Hospital in Las Vegas, Nev., and opening its newest hospitals: HealthSouth Rehabilitation Hospital of Northern Virginia, a 40-bed inpatient rehabilitation hospital in Loudoun County, Va., and The Rehabilitation Hospital of Southwest Virginia, a 25-bed hospital owned by a joint venture between Wellmont Health System and HealthSouth and managed by HealthSouth.

"HealthSouth has been privileged to serve patients in Texas since 1990 and we look forward to the addition of Sugar Land Rehabilitation Hospital to this network," said Frank Brown, president of the Texas region for HealthSouth. "We are especially pleased to welcome the outstanding employees and physicians of Sugar Land Rehabilitation Hospital into our national family of rehabilitation professionals."

The closing of the transaction is subject to normal closing conditions, certain state and federal regulatory approvals and is expected to take place late in the third quarter of 2010.

About Texas

HealthSouth currently operates 13 rehabilitation hospitals throughout Texas and one long-term acute care hospital located in Houston, Texas.

About HealthSouth

HealthSouth is the nation's largest provider of inpatient rehabilitative healthcare services. Operating in 26 states across the country and in Puerto Rico, HealthSouth serves patients through its network of inpatient rehabilitation hospitals, long-term acute care hospitals, outpatient rehabilitation satellite clinics and home health agencies. HealthSouth's hospitals provide a higher level of rehabilitative care to patients who are recovering from conditions such as stroke and other neurological disorders, orthopedic, cardiac and pulmonary conditions, brain and spinal cord injury, and amputations. HealthSouth can be found on the Web at 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. All such estimates, projections, and forward-looking information speak only as of the date hereof, and HealthSouth undertakes no duty to publicly update or revise such forward-looking information, whether as a result of new information, future events, or otherwise. Such forward-looking statements are necessarily estimates based upon current information and involve a number of risks and uncertainties. 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, any adverse outcome of various lawsuits, claims, and legal or regulatory proceedings that may be brought against it; significant changes in HealthSouth's management team; changes, delays in (including in connection with resolution of Medicare payment reviews or appeals), 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; general conditions in the local or national economy and capital markets; and other factors which may be identified from time to time in HealthSouth's SEC filings and other public announcements, including HealthSouth's Form 10K for the year ended December 31, 2009 and Form 10-Q for the quarter ended March 31, 2010.

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