

HealthSouth Prices Offering of Its 7.25% Senior Notes Due 2018 and Its 7.75% Senior Notes Due 2022

PR Newswire
BIRMINGHAM, Ala.

BIRMINGHAM, Ala., Sept. 28 [/PRNewswire-FirstCall/](#) -- HealthSouth Corporation (NYSE: HLS) today announced the pricing of its underwritten public offering of \$275 million in aggregate principal amount of its 7.25% senior notes due 2018 at a public offering price of 100% of the principal amount and the pricing of its underwritten public offering of \$250 million in aggregate principal amount of its 7.75% senior notes due 2022 at a public offering price of 100% of the principal amount. The Company will pay interest on the notes semi-annually in arrears on April 1 and October 1 of each year, beginning on April 1, 2011, for the senior notes due 2018, and March 15 and September 15 of each year, beginning on March 15, 2011, for the senior notes due 2022. The notes will be jointly and severally guaranteed on a senior unsecured basis by all of its existing and future subsidiaries that guarantee borrowings under the Company's credit agreement and other capital markets debt.

The Company intends to use the net proceeds from this offering of senior notes and cash on hand to repay a portion of the amounts outstanding under the term loans under the Company's credit agreement. The offering is expected to close on October 7, 2010 and is conditioned on the satisfaction of customary closing conditions.

The joint bookrunning managers for this offering are Citi; Banc of America Securities LLC; Barclays Capital Inc.; Goldman, Sachs & Co.; and Morgan Stanley & Co. Incorporated.

The offering is being made solely by means of a prospectus supplement and accompanying prospectus, which has been filed with the SEC. Before you invest, you should read the prospectus supplement and accompanying prospectus, as well as other documents the Company has filed or will file with the SEC for more complete information about the Company and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the Company, any underwriter or any dealer participating in the offering will arrange to send you the prospectus relating to the offering if you request it by calling Citi, 877-858-5407; Banc of America Securities LLC, 800-294-1322; Barclays Capital Inc., 888-603-5847; Goldman, Sachs & Co., 866-451-2526; and Morgan Stanley & Co. Incorporated, 212-761-6217.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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.

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 10-K for the year ended December 31, 2009 and Form 10-Q for the quarters

ended June 30, 2010 and March 31, 2010.

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