

HEALTHSOUTH Closes on New Revolving Credit Facility

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HEALTHSOUTH Corporation announced that effective June 14, 2002, it had closed on a new five-year revolving credit facility co-arranged by JPMorgan Chase Bank and Wachovia Bank, N.A. The new \$1.25 billion facility replaces the company's previous revolving credit facility, which was scheduled to mature in mid-2003. In late May, the company closed on a \$1 billion private placement of ten-year senior notes. The transaction was originally proposed at \$500 million and was upsized to meet market demand.

"We are pleased that, with the consummation of the senior note transaction last month and the successful syndication of this new revolving credit facility, we have now made provision for all of our material debt maturities for the next five years," said Richard M. Scrushy, Chairman of the Board and Chief Executive Officer of HEALTHSOUTH. "The response in the capital markets to these financings was very positive, and we believe that our new credit facility, combined with our cash flow from operations, will help ensure that we continue to have a strong liquidity position to support our operational needs and our growth strategies."

HEALTHSOUTH is the nation's largest provider of outpatient surgery and rehabilitative healthcare services, with approximately 1,900 locations in all 50 states, the United Kingdom, Australia, Puerto Rico and Canada. 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. Without limiting the generality of the preceding statement, all statements in this press release concerning or relating to estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results 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, involve a number of risks and uncertainties and are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. HEALTHSOUTH's actual results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors, including those identified in this press release and in the public filings made by HEALTHSOUTH with the Securities and Exchange Commission, including HEALTHSOUTH's Annual Report on Form 10-K for the year ended December 31, 2001 and its Quarterly Reports on Form 10-Q, and forward-looking statements contained in this press release or in other public statements of HEALTHSOUTH or its senior management should be considered in light of those factors. There can be no assurance that such factors or other factors will not affect the accuracy of such forward-looking statements.

For more information, contact Richard M. Scrushy, Chairman & CEO, or Tadd McVay, Executive Vice President and Treasurer, at 205-967-7116

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SOURCE: HEALTHSOUTH Corporation

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