

HEALTHSOUTH Announces Disposition of Nursing Homes

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HEALTHSOUTH Corporation announced that it had recently completed the disposition of five nursing homes in Massachusetts originally acquired in connection with its 1997 acquisition of Horizon/CMS Healthcare Corporation. The facilities, which had been managed for the company by independent operators since the Horizon/CMS acquisition, were leased by Horizon/CMS from Senior Housing Properties Trust until January 2002. As announced at that time, HEALTHSOUTH acquired ownership of the facilities from Senior Housing Properties Trust in a real estate swap transaction in January. After obtaining appropriate regulatory approvals, HEALTHSOUTH sold the five properties in a single transaction to a privately held long-term care operator. While terms of the transaction were not disclosed, HEALTHSOUTH indicated that the transaction would be accretive to both earnings and cash flows going forward, and that a non-cash charge relating to the sale of the properties would be reflected in the company's second quarter results of operations, which will be reported on August 7. The company also stated that it had no remaining ownership interest in any other former Horizon/CMS long-term care facilities, substantially all of which were sold at the end of 1997.

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.

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SOURCE: HEALTHSOUTH Corporation

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