

HEALTHSOUTH Releases 2003 Earnings Guidance

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BIRMINGHAM, Ala.

HEALTHSOUTH Corporation today announced its range of quarterly earnings estimates for the year ending December 31, 2003, and its current estimates of other financial and operating data for 2003, taking into account the expected impact of current Medicare reimbursement policies for outpatient therapy services and the company's 2003 operating and capital budgets, which were approved this month by the Board of Directors.

The following tables indicate HEALTHSOUTH's current estimates regarding results of operations and key operating statistics for 2003, and its current estimates regarding quarterly earnings per share ranges during 2003.

Estimated Results of Operations and Related Data (in thousands, except per share data)

	Ranges
Revenues	\$4,230,000 - \$4,320,000
EBITDA	\$1,045,000 - \$1,090,000
EPS*	\$0.55 - \$0.57
Capital Expenditures	\$375,000 - \$425,000
Depreciation and Amortization	\$320,000 - \$330,000
Interest Expense	\$235,000 - \$245,000
Minority Interests	\$130,000 - \$140,000
Shares Outstanding	400,000 - 402,000
Tax Rate	38.75 %

Estimated Revenues by Business Line (in thousands, except per share data)

	Ranges
Inpatient	\$1,965,000 - \$2,000,000
Medical Centers	\$285,000 - \$295,000
Surgery Centers	\$1,035,000 - \$1,058,000
Outpatient Rehabilitation	\$655,000 - \$668,000
Diagnostic Centers	\$270,000 - \$277,000
Other	\$20,000 - \$22,000

Estimated Operating Statistics by Business Line

	Ranges
Inpatient Discharges	125,000 - 127,000
Medical Center Patient Days	100,000 - 105,000
Surgery Cases	902,000 - 908,000
Outpatient Rehabilitation Visits	7,500,000 - 7,600,000
Diagnostic Scans	1,035,000 - 1,045,000

Estimated EBITDA Margins by Business Line **

Inpatient	32 %
Medical Centers	11 %
Surgery Centers	33 %
Outpatient Rehabilitation	22 %
Diagnostic Centers	23 %

2003 Estimated Quarterly EPS Range*

1Q03	2Q03	3Q03	4Q03	Total
\$0.13	\$0.14-\$0.15	\$0.14	\$0.14 - \$0.15	\$0.55 - \$0.57

* Assuming dilution; does not account for any special charges or unusual or non-recurring items.

** Excludes corporate overhead allocation.

The guidance on HEALTHSOUTH's estimated results of operations and other data set forth above is based on current budget goals and HEALTHSOUTH's assessment of current conditions affecting its business. HEALTHSOUTH's management may, from time to time, reaffirm such guidance in private discussions with investment analysts, investors and the media. HEALTHSOUTH expects to update such guidance to reflect any material changes in its expectations and objectives if and when it determines that it is necessary or desirable to do so.

HEALTHSOUTH is the nation's largest provider of outpatient surgery and rehabilitative healthcare services, with approximately 1,800 locations in all 50 states, the United Kingdom, Australia, Puerto Rico, Canada and Saudi Arabia. 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. 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, operating statistics, pricing, budget objectives 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 reflecting the best judgment of HEALTHSOUTH's senior management 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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