

HEALTHSOUTH Adopts New Corporate Governance Guidelines

PRNewswire-FirstCall
BIRMINGHAM, Ala.

HEALTHSOUTH Corporation (OTC Pink Sheets: HLSH) today announced that its Board of Directors has adopted new corporate governance guidelines. The company's policies have been developed taking into account not only legal and regulatory requirements but also current corporate governance best practices.

The guidelines include:

- * Within a reasonable time after the effective date of the governance guidelines, or within such other time as may be required by law or the listing standards of the NYSE, a majority of the members of the Board of Directors must be independent from management, as determined by the Board of Directors, which will be guided by the proposed listing standards of the NYSE.
- * Non-management directors must meet without management directors at least twice each calendar year.
- * The non-management directors must designate a Presiding Director, who must be an independent director, to lead executive sessions of the non-management directors.
- * The Board of Directors has established four standing committees - Audit, Compensation, Corporate Compliance and Nominating/Corporate Governance. Each committee is authorized to engage its own advisors and counsel, subject to the approval of the Board of Directors.
- * The Board has established an annual review process for itself and its committees to provide individual members with an assessment of current performance and areas for potential improvement.
- * Any Board member's service to other entities or organizations must be consistent with HEALTHSOUTH's conflict of interest policies, as well as the rules and regulations applicable to the company, including those of the NYSE and the SEC.
- * The company has adopted minimum stock ownership requirements for directors. In general, it is expected that within three years after the effective date of the governance guidelines, or within three years after initial election to the Board of Directors, each director should invest a minimum of \$100,000 in common stock of the company.
- * The HEALTHSOUTH Board underscored its commitment to the company's Standards of Business Conduct, which promote the highest level of ethical conduct and corporate citizenship from all employees. These standards address: conflict of interest; corporate opportunities; confidentiality; fair dealing; protection and proper use of Company assets; compliance with laws, rules and regulations (including insider trading laws); and encouraging the reporting of any illegal or unethical behavior. The Board of Directors, with advice and recommendations from the Corporate Compliance Committee, will periodically review and evaluate the Standards of Business Conduct and make changes as necessary or appropriate.

HEALTHSOUTH's new Corporate Governance will be published on the Company's Website at www.HEALTHSOUTH.com .

HEALTHSOUTH is the nation's largest provider of outpatient surgery, diagnostic imaging and rehabilitative healthcare services, with nearly 1,700 locations in all 50 states, the United Kingdom, Australia, Puerto Rico, Saudi Arabia and Canada. 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. 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:

Andy Brimmer, 205-410-2777

SOURCE: HEALTHSOUTH Corporation

CONTACT: Andy Brimmer for HEALTHSOUTH, +1-205-410-2777

Web site: <http://www.healthsouth.com/>
