

HealthSouth Announces Proposed Senior Notes Offering

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HealthSouth Corporation today announced that it plans to commence a public offering of senior notes pursuant to an effective shelf registration statement filed with the Securities and Exchange Commission (the "SEC"). The Company intends to use the net proceeds from this offering of senior notes, together with cash on hand, to pay the consideration required in connection with the Company's tender offer for all of its outstanding floating rate senior notes due 2014, including any applicable accrued and unpaid interest on such notes, and redeem any floating rate senior notes due 2014 that may remain outstanding following completion of the tender offer, including the payment of any applicable accrued and unpaid interest on such notes.

J.P. Morgan Securities Inc., Barclays Capital Inc., and Goldman, Sachs & Co. will act as joint book-running managers of the debt offering.

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 or at the Company's Web site at www.healthsouth.com, in the investor section under SEC filings. 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 J.P. Morgan Securities Inc. at 800-245-8812, Barclays Capital Inc. at 888-603-5847 or Goldman, Sachs & Co. at 866-471-2526.

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 satellites, and home health agencies. HealthSouth strives to be the nation's preeminent provider of inpatient rehabilitative healthcare services and can be found on the Web site at www.healthsouth.com.

Statements contained in this press release which are not historical facts are forward-looking statements. In addition, HealthSouth 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. HealthSouth's 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 the Company; significant changes in HealthSouth's management team; HealthSouth's ability to continue to operate in the ordinary course and manage its relationships with its creditors, including its lenders, bondholders, vendors and suppliers, employees, and customers; 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; HealthSouth's ability to obtain and retain favorable arrangements with third-party payors; HealthSouth's ability to attract and retain nurses, therapists, and other healthcare professionals in a highly competitive environment with often severe staffing shortages and the impact on HealthSouth's labor expenses from potential union activity and staffing shortages; general conditions in the 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, 2008 and Form 10-Q for the quarters ended September 30, 2009, June 30, 2009 and March 31, 2009.

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