



HealthSouth to Purchase Inpatient Rehabilitation Services in Cincinnati, Ohio

Services to be offered at Drake Center, a member of UC Health

BIRMINGHAM, Ala., May 4, 2011 /PRNewswire/ -- HealthSouth Corporation (NYSE: HLS) today announced it has entered into a definitive agreement to purchase substantially all assets of Drake Center's inpatient rehabilitation services and sublease space for the operation of a 38-bed inpatient rehabilitation hospital. It will be fully owned and operated by HealthSouth.

"We are honored to have the opportunity to align with Drake and to serve the Cincinnati community," said Jay Grinney, HealthSouth president and chief executive officer. "This new hospital — our first in the State of Ohio — is another milestone in our strategy of expanding HealthSouth's rehabilitative outreach to new markets."

The newly created HealthSouth Rehabilitation Hospital at Drake will offer high-quality inpatient rehabilitative care including specialized rehabilitation programs and advanced rehabilitation technology. HealthSouth Rehabilitation Hospital at Drake will remain on Drake's campus and is expected to be fully operational in the fourth quarter of 2011. Existing patients under Drake's care at that time that qualify for acute inpatient rehabilitation will be transitioned to the new rehabilitation hospital, and Drake will continue to operate the long-term acute care beds.

"We look forward to adding specialty rehabilitation services to Drake's strong network of healthcare services," said Terry Maxhimer, president of HealthSouth's MidAtlantic region. "They have a long history of providing quality, long-term acute care services, and with the additional inpatient rehabilitative services, the community will have access to a full continuum of care in one location."

The closing of the transaction is subject to customary closing conditions, including certain county, state and federal regulatory approvals, and is expected to take place in the fourth quarter of 2011. Terms of the deal were not disclosed.

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 satellite clinics and home health agencies. HealthSouth's hospitals provide a higher level of rehabilitative care to patients who are recovering from conditions such as stroke and other neurological disorders, orthopedic, cardiac and pulmonary conditions, brain and spinal cord injury, and amputations. HealthSouth can be found on the Web at www.healthsouth.com.

Forward-Looking Statements

Certain statements made above are forward looking, reflect HealthSouth's current intent, belief or expectations, and involve certain risks and uncertainties. These forward-looking statements include, but are not limited to, statements regarding the likelihood and timing of the closing of this acquisition transaction. HealthSouth's actual future results or events may not meet these expectations. In addition to those factors identified in HealthSouth's Annual Report on Form 10-K for the year ended December 31, 2010, Quarterly Report on Form 10-Q for the three month period ended March 31, 2011, and other filings with the SEC, factors that may cause future results or events to differ materially from HealthSouth's current expectations include, but are not limited to, the possibility that this transaction will not close, the risk of a significant adjustment to the purchase price, and regulatory delay in closing the acquisition. All forward-looking statements speak only as of the date hereof. HealthSouth undertakes no duty to publicly update or revise the information contained herein. There can be no assurance that any forward-looking statement will be realized. There may be differences between such statements and actual results or events, and those differences may be material.

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