

## HealthSouth Purchases Land in Modesto, California, and Announces Plans for New Hospital

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BIRMINGHAM, Ala., April 3, 2013 /PRNewswire/ -- HealthSouth Corporation (NYSE: HLS) today announced it has acquired land and plans to construct a new approximately 54,000-square foot inpatient rehabilitation hospital in Modesto, Calif. In connection with these plans, HealthSouth purchased 5.5 acres of land located at the northeast corner of Coffee Road and Mable Avenue in Modesto.

"We have been privileged to serve patients in California since 1995 at our other locations and look forward to offering high-quality services closer to home for Stanislaus County residents," said Jerry Gray, president of HealthSouth's west region. "This new, state-of-the-art hospital will ensure residents have appropriate and reasonable access to the latest rehabilitative treatment and technology in a hospital setting."

The proposed 50-bed hospital will provide inpatient rehabilitative care including specialized rehabilitation programs using advanced technology to help patients recover from a major illness, injury or surgery. Design work on the hospital is currently underway, and the Company will be working closely with California's Office of Statewide Health Planning and Development (OSHPD) to begin construction as quickly as possible. Construction is expected to begin in the third quarter of 2014, and the hospital should be operational by the fourth quarter of 2015. The development is expected to represent a \$28 million investment in the community and, once fully operational, approximately 100 full-time jobs.

This will be HealthSouth's third hospital in California, joining HealthSouth Bakersfield Rehabilitation Hospital and HealthSouth Tustin Rehabilitation Hospital.

### About HealthSouth

HealthSouth is the nation's largest owner and operator of inpatient rehabilitation hospitals in terms of patients treated and discharged, revenues, and number of hospitals. Operating in 28 states across the country and in Puerto Rico, HealthSouth serves patients through its network of inpatient rehabilitation 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 injuries, and amputations. HealthSouth can be found on the Web at [www.healthsouth.com](http://www.healthsouth.com).

*Statements contained in this press release which are not historical facts, such as those relating to the likelihood, timing and effects of the completion of this development, are forward-looking statements. In addition, HealthSouth, through its senior management, may from time to time make forward-looking public statements concerning guidance and the other 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, involve a number of risks and uncertainties, and relate to, among other things, future events, the possibility that this project will experience unexpected delays; the risk of a significant adjustment to the cost of completion; HealthSouth's business strategy; its financial plans; its future financial performance; or its projected business results or model. Actual events or results may differ materially from those 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 events or 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 involving HealthSouth, including the pending HHS-OIG investigations; the hospital's ability to maintain proper local, state and federal licensing; potential disruptions, breaches, or other incidents affecting the proper operation, availability, or security of HealthSouth's information systems; significant changes in HealthSouth's management team; 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, including as part of national healthcare reform and deficit reduction; 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 local or national 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, 2012.*

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