

HealthSouth Declares Dividend on 6.5% Series A Convertible Perpetual Preferred Stock

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BIRMINGHAM, Ala., Sept. 12, 2013 /PRNewswire/ -- HealthSouth Corporation (NYSE:HLS) today announced that its board of directors has declared a quarterly cash dividend of \$16.25 per share on its 6.5% Series A Convertible Perpetual Preferred Stock, payable on October 15, 2013, to holders of record on October 1, 2013.

As previously announced, HealthSouth's board of directors also has declared an initial quarterly cash dividend on its common stock of \$0.18 per share payable on October 15, 2013, to holders of record on October 1, 2013.

The 6.5% Series A Convertible Perpetual Preferred Stock is currently convertible, at the option of the holder, at any time into shares of common stock at an initial conversion rate of 32.7869 shares of common stock per share of preferred stock and also includes antidilutive protection that provides for an increase in the number of shares of common stock issuable upon conversion resulting from common stock dividends after a *de minimis* threshold. The already declared payment in October of an \$0.18 per share dividend on HealthSouth's common stock will not trigger the antidilutive adjustment because such amount would result in a *de minimis* adjustment of less than 1% under the terms of the preferred stock. Subsequent declaration and payment of dividends on HealthSouth common stock will likely require an adjustment.

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, cardiac and pulmonary conditions, brain and spinal cord injuries, complex orthopedic conditions, and amputations. HealthSouth can be found on the Web at www.healthsouth.com.

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