

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

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BIRMINGHAM, Ala., Oct. 25, 2013 [/PRNewswire/](#) -- HealthSouth Corporation (NYSE:HLS) today announced that its board of directors has declared a quarterly cash dividend on its common stock of \$0.18 per share and a quarterly cash dividend of \$16.25 per share on its 6.5% Series A Convertible Perpetual Preferred Stock, each payable on January 15, 2014, to holders of record on January 2, 2014.

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 a conversion rate of 32.7869 shares of common stock per share of preferred stock and 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 payment in January of an \$0.18 per share dividend on HealthSouth's common stock will likely trigger the antidilutive adjustment under the terms of the preferred stock. The resulting conversion rate would be 33.1237 assuming a market value as of January 2, 2014 of \$35.40 per share of common stock.

### 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](http://www.healthsouth.com).

### Forward-Looking Statements

*Statements contained in this press release which are not historical facts, such as the dividend payment plans and related anti-dilution adjustment prospects, 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. 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, HealthSouth's plan to repurchase its debt or equity securities, dividend strategies, HealthSouth's business strategy, its financial plans, its future financial performance, or its projected business results. 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, general conditions in the economy and capital markets; and changes in the market price of HealthSouth's common stock; 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 and Form 10-Q for the quarters ended March 31, 2013, and June 30, 2013.*

### Media Contact

Casey Lassiter, 205-410-2777

### Investor Relations Contact

Mary Ann Arico, 205-969-6175  
[maryann.arico@healthsouth.com](mailto:maryann.arico@healthsouth.com)

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