Chairman: ...I now call this meeting to order. Before we proceed to the formal business of the meeting I would like to introduce the members of our Board of Directors who are here today and I'll ask them to stand as I call their names. In addition to me, they are Jon Chidsey, Don Correll, Yvonne Curl, Charles Elson, Joan Herman, Leo Higdon, Leslye Katz, John Maupin, Ed Shaw, and Jay Grinney.

I especially welcome Joan and Leslye. This is their first Shareholder Meeting. Both were elected to our Board earlier this year. But welcome to your first Annual HealthSouth Shareholders' Meeting.

We will now proceed with the business of the meeting. As you entered the meeting room, you should have received an agenda for the meeting and the rules of conduct that will govern the meeting. I will preside at today's meeting and John Whittington will act as Secretary.

Mr. Secretary, will you please report on the procedural formalities?

Secretary: Mr. Chairman, I have an affidavit from Broadridge Financial Solutions, Inc., the firm responsible for mailing our proxy materials. The affidavit shows that the notice of the Annual Meeting, proxy statement and proxy cards were duly mailed and that such mailing was commenced on April 2, 2013 to each of the shareholders of record as of March 4, 2013. A list of the stockholders of HealthSouth, with the name, address, and number of shares registered in the name of each stockholder as of the record date is present at this meeting and is available for inspection. This list has been available for a period in excess of ten days before this meeting.

The company has appointed Mr. James E. Hagen as the Inspector of Elections for this meeting. Mr. Hagen has taken and signed a note faithfully to execute the duties of Inspector of Elections with strict impartiality and according to the best of his ability.

Mr. Chairman, I also report that preliminary count indicates that the holders of more than a majority of the outstanding shares of the capital stock entitled to vote at this meeting are present or represented by proxy, constituting a quorum. The Inspector of Elections will submit a formal report that will include the number of shares present in person or by proxy.

There are three items to be voted on at this meeting. They are, number one, the election of 11 Directors, each to serve until 2014 Annual Meeting of our stockholders or until his or her successor is duly elected and qualified. Number two: The ratification of the appointment of PricewaterhouseCoopers, LLP as our independent, registered public accounting firm. And three: The approval of the compensation of our named executive officers disclosed in this year’s proxy

statement. These proposals are more fully described in the proxy statement previously mailed to the stockholders. The company did not receive any stockholder nominations or proposals for this meeting.

There will be a period for questions and comments about these agenda items momentarily. During that period, your questions and comments should be limited to these proposals and comply with the rules of conduct for this meeting. Afterwards, the polls will be opened for voting. Later in the meeting there will be another period for general questions and comments from stockholders.

Additionally, some of the information provided today will include estimates, projections, and other forward-looking statements that reflect our current views with respect to future events and financial performance. All such forward-looking statements speak only as of the date hereof. We undertake no duty to publicly update or revise them, whether as a result of new information, future events or otherwise. You are cautioned not to place undue reliance on any such forward-looking statements as they are based on current expectations and general assumptions that we believe are reasonable, and such forward-looking statements are subject to various risks, uncertainties, and other factors, many of which are beyond our control, that might cause actual results to differ materially from the views, beliefs and estimates expressed here today.

In addition to these factors identified in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and our Quarterly Report on Form 10-Q for the first quarter of 2013, each filed with the SEC, there may be other factors beyond our control that may cause future results to differ materially from our expectations. Certain non-GAAP financial measures will also be referenced today. For such measures, reconciliation to the most directly comparable GAAP measure is available on our website at Investor.HealthSouth.com.

Chairman: Thank you, John. The first item of business that is to be voted on today is the election of 11 Directors to serve until our 2014 Annual Meeting of Stockholders. The Board of Directors' nominees are the only persons standing as nominees. I declare that the nominations are closed. Does anyone second this nomination?

Male: I second the nominations, Mr. Chairman.

Chairman: Thank you. Proposal two is the ratification appointment of independent, registered public accounting firm. The ratification of the appointment by the Audit Committee of PricewaterhouseCoopers, LLP as HealthSouth’s independent, registered public accounting firm is the second item of business to be voted on today. I move for approval of this proposal. Does anyone second this proposal?

Male: I second the proposal.

Chairman: Good to have you here, John. Thank you. Proposal three, advisory vote on executive compensation: The third item of business that's to be voted on today is the approval of the compensation of our named executive officers. I move for approval of this proposal. Does anyone second the proposal?

Male: Yes, I do.

Chairman: Thank you. I was nervous there. We will now proceed to the period set aside for questions and comments regarding the proposals only. As I mentioned earlier, there will be an open opportunity later in the meeting for general questions and comments. If you would like to speak, please stand up and wait to be recognized.

There being no one asking to speak, the polls are now open as of 11:06 Central Time. If you previously voted by proxy you do not need to vote by ballot unless you wish to change your vote. However, if any stockholder present here today has not yet cast a vote or wishes to change a prior vote, he may do so by completing a new ballot. If you need a ballot, please raise your hand now and we will bring one to you.

There being no further ballots requested, I declare the polls closed as of 11:07 Central Time. I ask that the Inspector of Elections prepare a report on the final voting results and submit it to the Secretary when complete.

Secretary: Mr. Chairman, based on the preliminary voting results the stockholders have elected each of the 11 nominees as a member of the Board of Directors to serve until the Annual Meeting of Stockholders in 2014. They've ratified the appointment of PricewaterhouseCoopers, LLP as HealthSouth's independent, registered public accounting firm and they have approved the compensation of our named executive officers. A copy of the ballot is available for those who wish to review it.

Chairman: Thank you. I now ask Jay Grinney, our President and Chief Executive Officer, to introduce the members of HealthSouth's Executive Management Team who are here today and provide a brief report on the company.

Jay: Thank you, Mr. Chairman. Did you say brief? Yeah, you did say brief. Before I give my remarks I would like to introduce the members of the executive team: Mark Tarr, our Executive Vice President and Chief Operating Officer. Please stand and be recognized. Doug Coltharp, Executive Vice President and Chief Financial Officer, and John Whittington, Executive Vice President and General Counsel.

We also have several of our, five of our six Regional Presidents here. I'd like to acknowledge them as well: Jerry Gray with our Western region, Linda Wilder with the Southeast region, Barb Jacobsmeyer with our Central region, Frank Brown with our Southwest region, and Ed Mowen with our MidAtlantic region. The other sixth regional President, Peter Mantegazza, could not be with us today. He's taking care of business.

The task of the CEO at the Annual Shareholder Meeting is to provide a brief state of the company and I'm very pleased to report that the state of HealthSouth is excellent. As everyone knows, our mission is to provide superior care on a high quality, cost effective basis to the communities that we serve.

Our hospitals continue to fulfill this mission by outperforming the rest of the industry with the quality of care they provide as measured by the extent to which our patients regain their independence and are discharged back to their homes. They also have distinguished themselves with a record number of stroke rehabilitation certifications from the Joint Commission. Of the 109 certifications awarded by the Joint Commission nationwide, 86 or 83 percent are held by HealthSouth hospitals. I think that's a pretty remarkable achievement.

And this commitment to quality allowed our hospitals to treat and discharge 123,854 patients in 2012, a 4.6 percent increase over 2011. This is especially significant considering what other rehabilitation providers were experiencing. According to Uniform Data Systems for Medical Rehabilitation, the industry's largest data analytics company, non-HealthSouth rehabilitation providers experienced a 1.1 percent decline in their discharges in 2012.

Our positive volume growth continued in the first quarter of this year as we saw our discharges grow 4.1 percent compared to the first quarter of 2012. We also continued to invest in the future through the rollout of an electronic clinical information system which we refer to as ACEIT, Advancing Clinical Excellence Through Information Technology. At yearend the system was installed in 16 of our hospitals and it will be installed in at least 20 hospitals per year until all HealthSouth hospitals are on this advanced clinical platform. ACEIT will allow us to strengthen our clinical outcomes by creating a proprietary database from which we can source clinical best practices while enabling our hospitals to participate in accountable care organizations or other similar entities focused on improving patient care through care that is coordinated across the continuum.

In addition to strong core operating results, we continue to execute our growth agenda through acquisitions and development of new hospitals. In 2012, we purchased a 34 bed inpatient rehabilitation unit in San Antonio and entered into a letter of intent to purchase Walton Rehabilitation Hospital, a 58 bed freestanding hospital in Augusta, Georgia, which we acquired on April 1st. The Walton

acquisition represents two milestones for the company. It's the 101st hospital to join our network and is our first hospital in the State of Georgia.

In addition to these acquisitions, we opened a new 40 bed hospital in Ocala, Florida, and continued the construction of two additional hospitals, a 40 bed hospital in Littleton, Colorado and a 34 bed joint venture hospital with Martin Health Systems in Stuart, Florida. Both of these will start treating patients in the second quarter of this year.

We also embarked on a replacement facility for our oldest physical plant, our 53 bed hospital in Ludlow, Massachusetts. The new hospital should be completed by yearend and will provide the Western Massachusetts region with a state-of-the-art, all private room, inpatient rehabilitation hospital.

As we look forward, our development pipeline presents multiple avenues for growth. We are awaiting favorable resolution to litigation involving three certificates of need in Alabama, Tennessee and Delaware and have filed the certificate of need for a new hospital in Virginia. We've purchased land for new hospitals in Florida and California and are engaged in a number of other strategic discussions regarding possible acquisitions and joint ventures in several new markets. I think it's important to note that these capital investments not only bring HealthSouth's higher level of care to these markets, they also provide new jobs and new tax revenues which contribute to the long-term economic vitality of these communities.

Finally, we continue to manage the company in a highly disciplined and efficient manner. In 2012 we generated approximately $506 million of EBITDA, $268 million of adjusted free cash flow on revenues of $2.16 billion, representing growth of 8.5 percent, 10.2 percent, and 6.7 percent respectively. We also improved our capital structure by amending and extending our credit agreement, increasing our revolver capacity by $100 million, issuing $275 million of 5.75 percent senior notes due in 2024 and reducing our leverage ratio to 2.5 times, all of which provides the company a strong and flexible balance sheet and ample liquidity to address future opportunities that we may wish to pursue.

While our operational and financial results were strong, we were disappointed our stock price did not reflect this performance. Gridlock in Washington over the debt ceiling and deficit reduction has created a cloud of uncertainty over healthcare stocks in general and HealthSouth stock in particular due primarily to our Medicare payer concentration. Recognizing that our stock was undervalued, our Board authorized a share buyback earlier this year that allowed us to repurchase approximately 9.5 percent of our outstanding shares at a price of $25.50. The market's reaction to this initiative has been very positive and our strong cash generating capability gives us tremendous flexibility going forward as we explore

other shareholder value creating strategies that will complement the company's strong operational and financial performance.

In conclusion, on behalf of the entire senior management team of HealthSouth, I want to thank all shareholders for their continued support of this great company. It's a privilege working for you and you have our team's commitment that we will continue to execute our business plan by providing high quality, cost effective care, growing the company in a disciplined manner, protecting the balance sheet and creating value for our shareholders.

Chairman: Thank you, Jay. I will now open the floor for general questions and comments. If you'd like to speak, please stand up and wait to be recognized. Is there anybody who would like to ask a question or speak? Just for those who are new, one year no one stood up and one of our Directors stood up to ask a question and we've tried to coach the man on the far end to do it but he's a little shy.

With the formal portion of this meeting having been completed, I move to adjourn the meeting.

Male: I second that motion.

Chairman: Aren't we a great team? With that, I declare the 2013 Annual Meeting of the Stockholders adjourned. However, we have one very important agenda item remaining.

It now gives me great honor and pleasure on behalf of the entire Board of Directors and Management to recognize and thank all the company’s employees who have worked diligently and consistently to make HealthSouth the preeminent provider of inpatient rehabilitation services in the United States. We appreciate their devotion, dedication, and hard work.

The Outstanding Employee Achievement Award allows us to bring attention to the extraordinary effort and contributions of our employees who are the foundation of this company’s success. Each year one outstanding employee is chosen from every HealthSouth hospital based on performance in four categories: Contributions to extraordinary patient experience, team spirit and cooperation, commitment to continuous quality improvement, and going above and beyond the call of duty. From these hospital winners, each regional leadership team selects a regional outstanding employee. From the regional winners the executive team selects one employee to receive the Outstanding Employees Achievement Award.

Last evening, the Board of Directors had the pleasure of hosting the regional award winners and their families at a banquet held in their honor. This is an annual event the Board looks forward to become more aware of the individuals

and their experience and the passion and enthusiasm that they bring to their patients. The annual banquet is an uplifting experience for all of us and we thank the honorees for allowing us to host in their honor.

At this time, I would ask the Chief Operating Officer, Mark Tarr, to introduce this year's regional winners and the recipient of this year's Outstanding Employee Achievement Award. Jay, will you also present?

Mark: Thank you, Mr. Chairman. It is my privilege to introduce each one of the recipients of the six operating regions. I think they pretty much have the hang of this now after the last few days of introductions. But let me start out first with introducing the recipient from our Southwest region. She's based out of our Cypress, Texas hospital, which is a suburb of Houston, Jo Wilson. [Applause]

Mark: Next, we'll go to our Northeast region representative based out of our Ludlow, Massachusetts hospital, Paul Richard. [Applause]

Mark: Let's go to the Southeast region now and representing the Southeast region is Oscar Martinez from our San Juan, Puerto Rico. [Applause]

Mark: We'll move onto the Central region. Representing the hospital from our Evansville, Indiana location is Mel Emgee(?) Beverly. [Applause]

Mark: The next recipient was not able to be here today. He is in the midst of a five day bike race throughout the mountains of Southern New Mexico, Travis Dixon(?), representing the West region, our Albuquerque, New Mexico hospital. [Applause]

Mark: And then finally representing the MidAtlantic region is Allison Birch, based out of Charleston, South Carolina. [Applause]

Mark: We now would like to show a brief video that I think epitomizes and gives you further insight into why these recipients are here today.

VIDEO

Mark: Jay, I'll turn it over to you to announce the winner.

Jay: We had a great time last night and as Mark said last night and I'll repeat today, we have six winners. All of the honorees this year really embody what I believe is the best about this company. I mean we can build fancy new hospitals and equip it with the latest technology and make sure that the supplies are there and so on, but without the people in those hospitals to provide the care day in and day out we would not be the kind of company we are.

And one thing that I think you heard consistently through the vignettes was reference to a program that our Chief Medical Officer, Dexanne Clohan, who is here today, implemented a couple years ago called CPR, comfort, professionalism and respect. And it's very encouraging to me. None of those vignettes were scripted. They are all spontaneous. And if you heard and listened carefully, you heard CPR, comfort, professionalism, respect. We owe a debt of gratitude to Dexanne and her team for identifying this and then really implementing it. But it was the receptivity of the employees who really embraced this anyway and now it gave them an opportunity to have an identity behind what they've already committed to.

I would like to announce and for some of us we already know who that recipient is. But this year's Outstanding Employee Achievement Award recipient is Paul Richard from our Ludlow hospital. [Applause]

Jay: Paul, the good news is he gets a plaque. The bad news is we get to keep it. But we wanted to at least show you where your name is going to on this plaque that we put up there so that all of the visitors who come to the corporate office have an opportunity to see the recipients and they may ask to get the name right. This is Paul Richard. But we know that it's Paul Richard. You can hold this for the moment. _____. And by the way, he gets a brand new hospital(?). [Applause]

_____ yesterday was his 13th anniversary at HealthSouth, a very momentous day for you and for us. Congratulations.

Chairman: Thank you, Jay, and thank everyone for coming today. We have now completed our agenda. Thank you again and good Lord willing, I hope to see you all here next year. Thank you.

END