

BLB&G and Lead Plaintiffs Announce Additional Settlements of \$133.5 Million in HealthSouth Bondholder Litigation – Total Recoveries for Bondholders Over \$230 Million

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BLB&G, Court-appointed Co-Lead Counsel, and its client, the Retirement System of Alabama ("RSA"), Court-appointed Lead Counsel for a class of bond purchasers of HealthSouth Corporation announced that they have reached separate class action settlements with UBS AG, UBS Warburg LLC, Benjamin D. Lorello, William C. McGahan and Howard Capek (collectively, "UBS") and with Ernst & Young LLP ("E&Y").

The total consideration to be paid in the UBS settlement is \$100 million in cash and E&Y has agreed to pay \$33.5 million in cash. These settlements follow an earlier settlement with HealthSouth and its former outside directors valued at approximately \$90 million for the bond class. Bond purchasers will also receive approximately 5% of the recovery achieved in Alabama state court in a separate action brought on behalf of HealthSouth against UBS and Richard Scrushy. These settlements follow an earlier settlement with HealthSouth and its former outside directors valued at approximately \$90 million for the bond Class. The total settlement for injured HealthSouth bond purchasers will be in excess of \$230 million, which should recoup over a third of bond purchaser damages.

The claims in the litigation against HealthSouth, one of the largest healthcare providers in the country, arise from a massive scheme undertaken over the course of sixteen years to manipulate HealthSouth's financial statements by creating fictitious revenue and income, capitalizing normal operating expenses, failing to write off impaired accounts receivable and other assets, and cheating Medicare and private insurers.