

HEALTHSOUTH CORP  
Form 3  
September 05, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*

Â BROPHY R GREGORY

(Last) (First) (Middle)

2. Date of Event Requiring Statement

(Month/Day/Year)

08/31/2006

3. Issuer Name and Ticker or Trading Symbol

HEALTHSOUTH CORP [HLSH]

4. Relationship of Reporting Person(s) to Issuer

5. If Amendment, Date Original Filed(Month/Day/Year)

ONE HEALTHSOUTH PARKWAY

(Street)

BIRMINGHAM,Â ALÂ 35243

(City) (State) (Zip)

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
\_X\_ Officer \_\_\_ Other  
(give title below) (specify below)  
President, Diagnostic Division

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_X\_ Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)

2. Amount of Securities Beneficially Owned (Instr. 4)

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

4. Nature of Indirect Beneficial Ownership (Instr. 5)

HEALTHSOUTH Common Stock

15,000

D Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

Date Exercisable Date Expiration

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

Title Amount or

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D)

6. Nature of Indirect Beneficial Ownership (Instr. 5)

				Number of Shares		or Indirect (I) (Instr. 5)	
Non-Qualified Stock Option (right to buy)	02/27/2007 <sup>(1)</sup>	02/27/2016	HEALTHSOUTH Common Stock	30,000	\$ 5.11	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BROPHY R GREGORY ONE HEALTHSOUTH PARKWAY BIRMINGHAM, AL 35243	Â	Â	Â President, Diagnostic Division	Â

## Signatures

/s/ R. Gregory  
Brophy

09/01/2006

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The option becomes exercisable in annual installments over a three-year period, at the rate of 33.3% per year commencing one year after the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.