

# Reconciliations to GAAP and Share Information

# Reconciliation of Net Income to Adjusted EBITDA<sup>(1)</sup>

(in millions, except per share data)	2016									
	Q1		Q2		Q3		Q4		Full Year	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
<b>Net Income</b>	\$ 76.7		\$ 81.2		\$ 78.1		\$ 82.1		\$ 318.1	
Loss (income) from disc ops, net of tax, attributable to HealthSouth	0.1		0.1		0.1		(0.3)		—	
Net income attributable to noncontrolling interests	(18.7)		(18.6)		(16.4)		(16.8)		(70.5)	
<b>Income from continuing operations attributable to HealthSouth*</b>	58.1	\$ 0.61	62.7	\$ 0.65	61.8	\$ 0.64	65.0	\$ 0.68	247.6	\$ 2.59
Pro fees - acct, tax, and legal	0.2		1.7		—		—		1.9	
Provision for income tax expense	39.7		42.4		42.1		39.7		163.9	
Interest expense and amortization of debt discounts and fees	44.6		43.4		42.5		41.6		172.1	
Depreciation and amortization	42.4		42.9		43.5		43.8		172.6	
Loss on early extinguishment of debt	2.4		2.4		2.6		—		7.4	
Net noncash loss (gain) on disposal or impairment of assets	0.2		0.2		1.6		(1.3)		0.7	
Stock-based compensation expense	4.5		8.6		4.3		10.0		27.4	
<b>Adjusted EBITDA</b>	<u>\$ 192.1</u>		<u>\$ 204.3</u>		<u>\$ 198.4</u>		<u>\$ 198.8</u>		<u>\$ 793.6</u>	
<b>Weighted average common shares outstanding:</b>										
Basic		<u>89.5</u>		<u>89.3</u>		<u>89.1</u>		<u>88.6</u>		<u>89.1</u>
Diluted		<u>99.4</u>		<u>99.4</u>		<u>99.4</u>		<u>99.2</u>		<u>99.5</u>

# Reconciliation of Net Income to Adjusted EBITDA<sup>(1)</sup>

(in millions, except per share data)	2015									
	Q1		Q2		Q3		Q4		Full Year	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
<b>Net Income</b>	\$ 59.0		\$ 60.2		\$ 67.8		\$ 65.8		\$ 252.8	
Loss (income) from disc ops, net of tax, attributable to HealthSouth	0.3		1.6		(0.3)		(0.7)		0.9	
Net income attributable to noncontrolling interests	(16.5)		(17.3)		(17.1)		(18.8)		(69.7)	
<b>Income from continuing operations attributable to HealthSouth*</b>	42.8	\$ 0.44	44.5	\$ 0.47	50.4	\$ 0.52	46.3	\$ 0.48	184.0	\$ 1.92
Gov't, class action, and related settlements	8.0		—		—		(0.5)		7.5	
Pro fees - acct, tax, and legal	2.2		0.1		0.4		0.3		3.0	
Provision for income tax expense	30.3		32.2		35.9		43.5		141.9	
Interest expense and amortization of debt discounts and fees	31.8		30.9		35.6		44.6		142.9	
Depreciation and amortization	31.9		32.7		33.7		41.4		139.7	
Loss on early extinguishment of debt	1.2		18.8		—		2.4		22.4	
Net noncash (gain) loss on disposal or impairment of assets	(1.5)		0.8		0.9		2.4		2.6	
Stock-based compensation expense	9.4		6.2		6.2		4.4		26.2	
Transaction costs	—		3.3		2.3		6.7		12.3	
<b>Adjusted EBITDA</b>	<u>\$ 156.1</u>		<u>\$ 169.5</u>		<u>\$ 165.4</u>		<u>\$ 191.5</u>		<u>\$ 682.5</u>	
<b>Weighted average common shares outstanding:</b>										
Basic		<u>87.1</u>		<u>89.8</u>		<u>90.6</u>		<u>90.1</u>		<u>89.4</u>
Diluted		<u>101.1</u>		<u>101.5</u>		<u>101.5</u>		<u>100.6</u>		<u>101.0</u>

\* Per share amounts for each period presented are based on diluted weighted-average shares outstanding. Refer to pages 113-116 for end notes.

# Reconciliation of Net Income to Adjusted EBITDA<sup>(1)</sup>

(in millions, except per share data)	2012		2013		2014	
	Total	Per Share	Total	Per Share	Total	Per Share
<b>Net income</b>	\$ 235.9		\$ 381.4		\$ 281.7	
(Income) loss from disc ops, net of tax, attributable to HealthSouth	(4.5)		1.1		(5.5)	
Net income attributable to noncontrolling interests	(50.9)		(57.8)		(59.7)	
<b>Income from continuing operations attributable to HealthSouth*</b>	180.5	\$ 1.62	324.7	\$ 2.59	216.5	\$ 2.24
Gov't, class action, and related settlements	(3.5)		(23.5)		(1.7)	
Pro fees-acct, tax, and legal	16.1		9.5		9.3	
Provision for income tax expense	108.6		12.7		110.7	
Interest expense and amortization of debt discounts and fees	94.1		100.4		109.2	
Depreciation and amortization	82.5		94.7		107.7	
Other, including net noncash loss on disposal of assets	4.4		5.9		6.7	
Loss on early extinguishment of debt	4.0		2.4		13.2	
Gain on consolidation of Fairlawn Rehabilitation Hospital	—		—		(27.2)	
Gain on consolidation of St. Vincent Rehabilitation Hospital	(4.9)		—		—	
Stock-based compensation expense	24.1		24.8		23.9	
Transaction costs	—		—		9.3	
<b>Adjusted EBITDA</b>	<u>\$ 505.9</u>		<u>\$ 551.6</u>		<u>\$ 577.6</u>	
<b>Weighted average common shares outstanding:</b>						
Basic		<u>94.6</u>		<u>88.1</u>		<u>86.8</u>
Diluted		<u>108.1</u>		<u>102.1</u>		<u>100.7</u>

\* Per share amounts for each period presented are based on diluted weighted-average shares outstanding.  
Refer to pages 113-116 for end notes.

# Reconciliation of Segment Adjusted EBITDA to Income from Continuing Operations Before Income Tax Expense

	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Full Year 2016	Full Year 2015
In Millions										
<b>Total segment Adjusted EBITDA</b>	<b>\$ 225.6</b>	<b>\$ 224.4</b>	<b>\$ 230.1</b>	<b>\$ 219.5</b>	<b>\$ 216.4</b>	<b>\$ 186.9</b>	<b>\$ 189.5</b>	<b>\$ 181.3</b>	<b>\$ 899.6</b>	<b>\$ 774.1</b>
General and administrative expenses	(36.8)	(30.3)	(34.4)	(31.9)	(36.0)	(30.6)	(32.1)	(34.6)	(133.4)	(133.3)
Depreciation and amortization	(43.8)	(43.5)	(42.9)	(42.4)	(41.4)	(33.7)	(32.7)	(31.9)	(172.6)	(139.7)
Gain (loss) on disposal or impairment of assets	1.3	(1.6)	(0.2)	(0.2)	(2.4)	(0.9)	(0.8)	1.5	(0.7)	(2.6)
Government, class action, and related settlements	—	—	—	—	0.5	—	—	(8.0)	—	(7.5)
Professional fees - accounting, tax, and legal	—	—	(1.7)	(0.2)	(0.3)	(0.4)	(0.1)	(2.2)	(1.9)	(3.0)
Loss on early extinguishment of debt	—	(2.6)	(2.4)	(2.4)	(2.4)	—	(18.8)	(1.2)	(7.4)	(22.4)
Interest expense and amortization of debt discounts and fees	(41.6)	(42.5)	(43.4)	(44.6)	(44.6)	(35.6)	(30.9)	(31.8)	(172.1)	(142.9)
Net income attributable to noncontrolling interests	16.8	16.4	18.6	18.7	18.8	17.1	17.3	16.5	70.5	69.7
Gain related to SCA equity interest	—	—	—	—	—	0.6	2.6	—	—	3.2
<b>Income from continuing operations before income tax expense</b>	<b>\$ 121.5</b>	<b>\$ 120.3</b>	<b>\$ 123.7</b>	<b>\$ 116.5</b>	<b>\$ 108.6</b>	<b>\$ 103.4</b>	<b>\$ 94.0</b>	<b>\$ 89.6</b>	<b>\$ 482.0</b>	<b>\$ 395.6</b>

# Adjusted EPS<sup>(2)</sup> - Q4 2016

For the Three Months Ended December 31, 2016

	Adjustments				As Adjusted
	As Reported	Mark-to-Market Adjustment for Stock Appreciation Rights	Sale of Pediatric Home Health Assets and Hospital	Income Tax Valuation and Other Adjustments	
	(In Millions, Except Per Share Amounts)				
<b>Adjusted EBITDA</b>	\$ 198.8	\$ —	\$ —	\$ —	\$ 198.8
Depreciation and amortization	(43.8)	—	—	—	(43.8)
Interest expense and amortization of debt discounts and fees	(41.6)	—	—	—	(41.6)
Stock-based compensation	(10.0)	3.0	—	—	(7.0)
Loss on disposal or impairment of assets	1.3	—	(3.3)	—	(2.0)
<b>Income from continuing operations before income tax expense</b>	104.7	3.0	(3.3)	—	104.4
Provision for income tax expense	(39.7)	(1.1)	6.1	(0.6)	(35.3)
<b>Income from continuing operations attributable to HealthSouth</b>	\$ 65.0	\$ 1.9	\$ 2.8	\$ (0.6)	\$ 69.1
Add: Interest on convertible debt, net of tax	2.5				2.5
<b>Numerator for diluted earnings per share</b>	\$ 67.5				\$ 71.6
<b>Diluted earnings per share from continuing operations*</b>	\$ 0.68	\$ 0.02	\$ 0.03	\$ (0.01)	\$ 0.72
<b>Diluted shares used in calculation</b>	99.2				

# Adjusted EPS<sup>(2)</sup> - Q4 2015

For the Three Months Ended December 31, 2015

	Adjustments							As Adjusted
	As Reported	Gov't, Class Action, & Related Settlements	Pro. Fees - Acct., Tax, & Legal	Income Tax Valuation Allowance & Other Adj.	Transaction Costs	Loss on Early Exting. of Debt		
	(In Millions, Except Per Share Amounts)							
<b>Adjusted EBITDA</b>	\$ 191.5	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 191.5
Depreciation and amortization	(41.4)	—	—	—	—	—	—	(41.4)
Government, class action, and related settlements	0.5	(0.5)	—	—	—	—	—	—
Professional fees - accounting, tax, and legal	(0.3)	—	0.3	—	—	—	—	—
Loss on early extinguishment of debt	(2.4)	—	—	—	—	—	2.4	—
Interest expense and amortization of debt discounts and fees	(44.6)	—	—	—	—	—	—	(44.6)
Stock-based compensation	(4.4)	—	—	—	—	—	—	(4.4)
Loss on disposal or impairment of assets	(2.4)	—	—	—	—	—	—	(2.4)
Transaction costs	(6.7)	—	—	—	—	6.7	—	—
<b>Income from continuing operations before income tax expense</b>	89.8	(0.5)	0.3	—	—	6.7	2.4	98.7
Provision for income tax expense	(43.5)	0.2	(0.1)	4.7	(2.1)	(1.0)	(1.0)	(41.8)
<b>Income from continuing operations attributable to HealthSouth</b>	\$ 46.3	\$ (0.3)	\$ 0.2	\$ 4.7	\$ 4.6	\$ 1.4	\$ 1.4	\$ 56.9
Add: Interest on convertible debt, net of tax	2.4	—	—	—	—	—	—	2.4
<b>Numerator for diluted earnings per share</b>	\$ 48.7	—	—	—	—	—	—	\$ 59.3
<b>Diluted earnings per share from continuing operations*</b>	\$ 0.48	\$ —	\$ —	\$ 0.05	\$ 0.05	\$ 0.01	\$ 0.01	\$ 0.59
<b>Diluted shares used in calculation</b>	100.6	—	—	—	—	—	—	—

# Adjusted EPS<sup>(2)</sup> - 2016

For the Year Ended December 31, 2016

	Adjustments						As Adjusted
	As Reported	Pro. Fees - Acct., Tax, & Legal	Mark-to-Market Adjustment for Stock Appreciation Rights	Loss on Early Exting. of Debt	Sale of Pediatric Home Health Assets and Hospital	Income Tax Valuation and Other Adjustments	
	(In Millions, Except Per Share Amounts)						
<b>Adjusted EBITDA</b>	\$ 793.6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 793.6
Depreciation and amortization	(172.6)	—	—	—	—	—	(172.6)
Professional fees - accounting, tax, and legal	(1.9)	1.9	—	—	—	—	—
Loss on early extinguishment of debt	(7.4)	—	—	7.4	—	—	—
Interest expense and amortization of debt discounts and fees	(172.1)	—	—	—	—	—	(172.1)
Stock-based compensation	(27.4)	—	1.6	—	—	—	(25.8)
Loss on disposal or impairment of assets	(0.7)	—	—	—	(4.2)	—	(4.9)
<b>Income from continuing operations before income tax expense</b>	411.5	1.9	1.6	7.4	(4.2)	—	418.2
Provision for income tax expense	(163.9)	(0.8)	(0.6)	(3.0)	6.5	(0.6)	(162.4)
<b>Income from continuing operations attributable to HealthSouth</b>	\$ 247.6	\$ 1.1	\$ 1.0	\$ 4.4	\$ 2.3	\$ (0.6)	\$ 255.8
Add: Interest on convertible debt, net of tax	9.7						9.7
<b>Numerator for diluted earnings per share</b>	\$ 257.3						\$ 265.5
<b>Diluted earnings per share from continuing operations*</b>	\$ 2.59	\$ 0.01	\$ 0.01	\$ 0.04	\$ 0.02	\$ (0.01)	\$ 2.67
<b>Diluted shares used in calculation</b>	99.5						



# Adjusted EPS<sup>(2)</sup> - 2015

For the Year Ended December 31, 2015

	As Reported	Gov't, Class Action, & Related Settlements	Pro. Fees - Acct., Tax, & Legal	Income Tax Valuation & Other Adj.	Mark-to-Market Adjustment for Stock Appreciation Rights	Transaction Costs	Loss on Early Exting. of Debt	As Adjusted
(In Millions, Except Per Share Amounts)								
<b>Adjusted EBITDA</b>	\$ 682.5	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 682.5
Depreciation and amortization	(139.7)	—	—	—	—	—	—	(139.7)
Government, class action, and related settlements	(7.5)	7.5	—	—	—	—	—	—
Professional fees - accounting, tax, and legal	(3.0)	—	3.0	—	—	—	—	—
Loss on early extinguishment of debt	(22.4)	—	—	—	—	—	22.4	—
Interest expense and amortization of debt discounts and fees	(142.9)	—	—	—	—	—	—	(142.9)
Stock-based compensation	(26.2)	—	—	—	1.2	—	—	(25.0)
Loss on disposal or impairment of assets	(2.6)	—	—	—	—	—	—	(2.6)
Transaction costs	(12.3)	—	—	—	—	12.3	—	—
<b>Income from continuing operations before income tax expense</b>	325.9	7.5	3.0	—	1.2	12.3	22.4	372.3
Provision for income tax expense	(141.9)	(3.0)	(1.2)	4.7	(0.5)	(4.1)	(9.0)	(155.0)
<b>Income from continuing operations attributable to HealthSouth</b>	\$ 184.0	\$ 4.5	\$ 1.8	\$ 4.7	\$ 0.7	\$ 8.2	\$ 13.4	\$ 217.3
Add: Interest on convertible debt, net of tax	9.4	—	—	—	—	—	—	9.4
<b>Numerator for diluted earnings per share</b>	\$ 193.4	—	—	—	—	—	—	\$ 226.7
<b>Diluted earnings per share from continuing operations*</b>	\$ 1.92	\$ 0.04	\$ 0.02	\$ 0.05	\$ 0.01	\$ 0.08	\$ 0.13	\$ 2.24
<b>Diluted shares used in calculation</b>	101.0	—	—	—	—	—	—	—

# Adjusted EPS<sup>(2)</sup> - 2014

For the Year Ended December 31, 2014

	Adjustments							As Adjusted
	As Reported	Gov't, Class Action, and Related Settlements	Pro. Fees - Acct, Tax, and Legal	Transaction Costs	Gain on Consolidation of Fairlawn Rehabilitation Hospital	Loss on Early Extng. of Debt	Income Tax Valuation Adjustment	
	(In Millions, Except Per Share Amounts)							
<b>Adjusted EBITDA</b>	\$ 577.6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 577.6
Depreciation and amortization	(107.7)	—	—	—	—	—	—	(107.7)
Government, class action, and related settlements	1.7	(1.7)	—	—	—	—	—	—
Professional fees - accounting, tax, and legal	(9.3)	—	9.3	—	—	—	—	—
Loss on early extinguishment of debt	(13.2)	—	—	—	—	13.2	—	—
Interest expense and amortization of debt discounts and fees	(109.2)	—	—	—	—	—	—	(109.2)
Stock-based compensation	(23.9)	—	—	—	—	—	—	(23.9)
Loss on disposal or impairment of assets	(6.7)	—	—	—	—	—	—	(6.7)
Gain on consolidation of Fairlawn Rehabilitation Hospital	27.2	—	—	—	(27.2)	—	—	—
Transaction costs	(9.3)	—	—	9.3	—	—	—	—
<b>Income from continuing operations before income tax expense</b>	<b>327.2</b>	<b>(1.7)</b>	<b>9.3</b>	<b>9.3</b>	<b>(27.2)</b>	<b>13.2</b>	<b>—</b>	<b>330.1</b>
Provision for income tax expense	(110.7)	0.7	(3.7)	(2.5)	(3.0)	(5.3)	(7.4)	(131.9)
<b>Income from continuing operations attributable to HealthSouth</b>	<b>\$ 216.5</b>	<b>\$ (1.0)</b>	<b>\$ 5.6</b>	<b>\$ 6.8</b>	<b>\$ (30.2)</b>	<b>\$ 7.9</b>	<b>\$ (7.4)</b>	<b>\$ 198.2</b>
Add: Interest on convertible debt, net of tax	9.0	—	—	—	—	—	—	9.0
<b>Numerator for diluted earnings per share</b>	<b>\$ 225.5</b>							<b>\$ 207.2</b>
<b>Diluted earnings per share from continuing operations*</b>	<b>\$ 2.24</b>	<b>\$ (0.01)</b>	<b>\$ 0.06</b>	<b>\$ 0.07</b>	<b>\$ (0.30)</b>	<b>\$ 0.08</b>	<b>\$ (0.07)</b>	<b>\$ 2.06</b>
<b>Diluted shares used in calculation</b>	<b>100.7</b>							

# Adjusted EPS<sup>(2)</sup> - 2013

For the Year Ended December 31, 2013

	Adjustments							As Adjusted
	As Reported	Gov't, Class Action, and Related Settlements	Pro. Fees - Acct., Tax, and Legal	Loss on Early Exting. of Debt	Income Tax Valuation Allowance Adjustment	Settlement of Income Tax Claims	Repurchase of Preferred Stock	
(In Millions, Except Per Share Amounts)								
<b>Adjusted EBITDA</b>	\$ 551.6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 551.6
Depreciation and amortization	(94.7)	—	—	—	—	—	—	(94.7)
Government, class action, and related settlements	23.5	(23.5)	—	—	—	—	—	—
Professional fees - accounting, tax, and legal	(9.5)	—	9.5	—	—	—	—	—
Loss on early extinguishment of debt	(2.4)	—	—	2.4	—	—	—	—
Interest expense and amortization of debt discounts and fees	(100.4)	—	—	—	—	—	—	(100.4)
Stock-based compensation	(24.8)	—	—	—	—	—	—	(24.8)
Loss on disposal or impairment of assets	(5.9)	—	—	—	—	—	—	(5.9)
<b>Income from continuing operations before income tax expense</b>	337.4	(23.5)	9.5	2.4	—	—	—	325.8
Provision for income tax expense	(12.7)	9.4	(3.8)	(1.0)	(9.1)	(113.4)	—	(130.6)
<b>Income from continuing operations attributable to HealthSouth</b>	\$ 324.7	\$ (14.1)	\$ 5.7	\$ 1.4	\$ (9.1)	\$ (113.4)	\$ —	\$ 195.2
Less: Income allocated to participating securities	(3.4)	—	—	—	—	—	—	(3.4)
Less: Convertible perpetual preferred dividends	(21.0)	—	—	—	—	—	—	(21.0)
Less: Repurchase of perpetual preferred stock	(71.6)	—	—	—	—	—	71.6	—
<b>Numerator for basic earnings per share</b>	\$ 228.7	—	—	—	—	—	—	\$ 170.8
<b>Basic earnings per share from continuing operations*</b>	\$ 2.59	\$ (0.16)	\$ 0.06	\$ 0.02	\$ (0.10)	\$ (1.29)	\$ 0.81	\$ 1.94
<b>Basic shares used in calculation</b>	88.1	—	—	—	—	—	—	88.1

Basic and diluted earnings per share are the same due to antidilution.

# Adjusted EPS<sup>(2)</sup> - 2012

For the Year Ended December 31, 2012

	Adjustments							As Adjusted
	As Reported	Gov't, Class Action, and Related Settlements	Pro. Fees - Acct, Tax, and Legal	Gain on Consolidation of St. Vincent Rehabilitation Hospital	Loss on Early Exting. of Debt	Income Tax Valuation Allowance Adjustment	Settlement of Income Tax Claims	
(In Millions, Except Per Share Amounts)								
<b>Adjusted EBITDA</b>	\$ 505.9	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 505.9
Depreciation and amortization	(82.5)	—	—	—	—	—	—	(82.5)
Government, class action, and related settlements	3.5	(3.5)	—	—	—	—	—	—
Professional fees - accounting, tax, and legal	(16.1)	—	16.1	—	—	—	—	—
Loss on early extinguishment of debt	(4.0)	—	—	—	4.0	—	—	—
Interest expense and amortization of debt discounts and fees	(94.1)	—	—	—	—	—	—	(94.1)
Stock-based compensation	(24.1)	—	—	—	—	—	—	(24.1)
Loss on disposal or impairment of assets	(4.4)	—	—	—	—	—	—	(4.4)
Gain on consolidation of St. Vincent Rehabilitation Hospital	4.9	—	—	(4.9)	—	—	—	—
<b>Income from continuing operations before income tax expense</b>	289.1	(3.5)	16.1	(4.9)	4.0	—	—	300.8
Provision for income tax expense	(108.6)	1.4	(6.4)	2.0	(1.6)	(9.5)	1.0	(121.7)
<b>Income from continuing operations attributable to HealthSouth</b>	\$ 180.5	\$ (2.1)	\$ 9.7	\$ (2.9)	\$ 2.4	\$ (9.5)	\$ 1.0	\$ 179.1
Less: Income allocated to participating securities	(2.2)	—	—	—	—	—	—	(2.2)
Less: Convertible perpetual preferred dividends	(23.9)	—	—	—	—	—	—	(23.9)
Less: Repurchase of preferred stock	(0.8)	—	—	—	—	—	—	(0.8)
<b>Numerator for basic earnings per share</b>	\$ 153.6	—	—	—	—	—	—	\$ 152.2
<b>Basic earnings per share from continuing operations*</b>	\$ 1.62	\$ (0.02)	\$ 0.10	\$ (0.03)	\$ 0.03	\$ (0.10)	\$ 0.01	\$ 1.61
<b>Basic shares used in calculation</b>	94.6	—	—	—	—	—	—	—

Basic and diluted earnings per share are the same due to antidilution.

# Adjusted Free Cash Flow History<sup>(3)</sup>

(Millions)	Q4		Full Year				
	2016	2015	2016	2015	2014	2013	2012
<b>Net cash provided by operating activities</b>	\$ 116.0	\$ 116.6	\$ 605.5	\$ 484.8	\$ 444.9	\$ 470.3	\$ 411.5
Impact of discontinued operations	0.1	(0.1)	0.7	0.7	1.2	1.9	(2.0)
<b>Net cash provided by operating activities of continuing operations</b>	116.1	116.5	606.2	485.5	446.1	472.2	409.5
Capital expenditures for maintenance	(39.7)	(27.1)	(104.2)	(83.1)	(92.0)	(74.8)	(83.0)
Dividends paid on convertible perpetual preferred stock	—	—	—	(3.1)	(6.3)	(23.0)	(24.6)
Distributions paid to noncontrolling interests of consolidated affiliates	(15.4)	(14.8)	(64.9)	(54.4)	(54.1)	(46.3)	(49.3)
<b>Items non-indicative of ongoing operations:</b>							
Transaction costs and related assumed liabilities	—	6.5	0.8	28.3	2.0	—	—
Net premium on bond issuance/repayment	—	1.9	5.8	4.0	4.3	1.7	1.9
Cash paid for professional fees - accounting, tax, and legal	—	0.3	1.9	4.1	8.6	7.0	16.1
Windfall tax benefits from share-based compensation	17.3	—	17.3	—	—	—	—
Cash (received) paid for government, class action, and related settlements	—	(0.3)	—	7.7	2.7	(5.9)	(2.6)
<b>Adjusted free cash flow</b>	<b>\$ 78.3</b>	<b>\$ 83.0</b>	<b>\$ 462.9</b>	<b>\$ 389.0</b>	<b>\$ 311.3</b>	<b>\$ 330.9</b>	<b>\$ 268.0</b>
<b>Cash dividends on common stock<sup>(6)</sup></b>	<b>\$ 21.4</b>	<b>\$ 21.0</b>	<b>\$ 83.8</b>	<b>\$ 77.2</b>	<b>\$ 65.8</b>	<b>\$ 15.7</b>	<b>\$ —</b>

Information regarding investing and financing categories of the statement of cash flows for the periods presented can be found on HealthSouth's website in the Earnings Releases for those periods.

# Net Cash Provided by Operating Activities Reconciled to Adjusted EBITDA

(Millions)	Q4		Full Year				
	2016	2015	2016	2015	2014	2013	2012
<b>Net cash provided by operating activities</b>	\$ 116.0	\$ 116.6	\$ 605.5	\$ 484.8	\$ 444.9	\$ 470.3	\$ 411.5
Provision for doubtful accounts	(14.5)	(14.0)	(61.2)	(47.2)	(31.6)	(26.0)	(27.0)
Professional fees - accounting, tax, and legal	—	0.3	1.9	3.0	9.3	9.5	16.1
Interest expense and amortization of debt discounts and fees	41.6	44.6	172.1	142.9	109.2	100.4	94.1
Equity in net income of nonconsolidated affiliates	2.5	2.4	9.8	8.7	10.7	11.2	12.7
Net income attributable to noncontrolling interests in continuing operations	(16.8)	(18.8)	(70.5)	(69.7)	(59.7)	(57.8)	(50.9)
Amortization of debt discounts and fees	(3.5)	(3.4)	(13.8)	(14.3)	(12.7)	(5.0)	(3.7)
Distributions from nonconsolidated affiliates	(2.6)	(3.2)	(8.5)	(7.7)	(12.6)	(11.4)	(11.0)
Current portion of income tax expense	17.4	4.4	31.0	14.8	13.3	6.3	5.9
Change in assets and liabilities	41.3	53.6	102.9	147.1	90.1	48.9	58.1
Net premium paid on bond transactions	—	1.9	5.8	3.9	4.3	1.7	1.9
Windfall tax benefits from share-based compensation	17.3	—	17.3	—	—	—	—
Cash used in (provided by) operating activities of discontinued operations	0.1	(0.1)	0.7	0.7	1.2	1.9	(2.0)
Transaction costs	—	6.7	—	12.3	9.3	—	—
Other	—	0.5	0.6	3.2	1.9	1.6	0.2
<b>Adjusted EBITDA</b>	<b>\$ 198.8</b>	<b>\$ 191.5</b>	<b>\$ 793.6</b>	<b>\$ 682.5</b>	<b>\$ 577.6</b>	<b>\$ 551.6</b>	<b>\$ 505.9</b>

Information regarding investing and financing categories of the statement of cash flows for the periods presented can be found on HealthSouth's website in the Earnings Releases for those periods.

# Share Information

(Millions)	Weighted Average for the Period				
	Q4		Full Year		
	2016	2015	2016	2015	2014
<b>Basic shares outstanding<sup>(4)</sup></b>	88.6	90.1	89.1	89.4	86.8
Convertible perpetual preferred stock <sup>(4)</sup>	—	—	—	1.0	3.2
Convertible senior subordinated notes <sup>(28)</sup>	8.6	8.4	8.5	8.3	8.2
Restricted stock awards, dilutive stock options, restricted stock units, and common stock warrants <sup>(29)</sup>	2.0	2.1	1.9	2.3	2.5
<b>Diluted shares outstanding</b>	<b>99.2</b>	<b>100.6</b>	<b>99.5</b>	<b>101.0</b>	<b>100.7</b>

(Millions)	End of Period				
	Q4		Full Year		
	2016	2015	2016	2015	2014
<b>Basic shares outstanding<sup>(4)</sup></b>	88.3	89.3	88.3	89.3	86.6

	Date	Approx. Conversion Rate	Approx. Conversion Price
<b>Convertible senior subordinated notes<sup>(28)</sup></b>	1/3/17	26.9106	\$37.16