

LifeCare Holdings, Inc.

**News Release
For Immediate Release
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**LifeCare Holdings, Inc. Opens New Louisiana Hospital,
Announces Plans for Facility in Wisconsin**

Long term acute care provider adds facilities, increases market share

Plano, TEXAS – Subsidiaries of LifeCare Holdings, Inc. have opened a new hospital in Shreveport, La., and have begun construction on another facility in Waukesha, Wisc. Like all LifeCare hospitals, the facilities will specialize in the treatment of medically complex patients who continue to need acute care hospital services for a longer term, generally more than 25 days.

LifeCare Hospitals of Shreveport opened a new North Campus facility in August. The 22-bed long term care hospital (LTCH) increases LifeCare’s presence in the Shreveport market to four facilities and 130 beds, with a shared medical staff of more than 185 physicians. The new, state-of-the-art facility is adjacent to Willis-Knighton Medical Center North. In its first few weeks of operation, it is already operating at capacity.

LifeCare Hospitals of Milwaukee has begun construction on a new, free-standing, 62-bed LTCH in Waukesha, Wisc. The location of the hospital will be adjacent to GE Healthcare Diagnostic Imaging World Headquarters on a 40-acre parcel of land purchased from GE earlier this summer. The hospital has received consistent support from Waukesha political leaders, who approved the creation of a tax-incremental financing (TIF) district to provide funding for improvements to the city’s water delivery infrastructure to the site. The hospital anticipates receiving its first patients in mid-2007 and is designed as a “digital-ready” hospital capable of accommodating the most advanced medical technology.

“We are very excited about these additions to our hospital system,” said LifeCare Holdings Chairman and CEO W. Earl Reed, III. “Shreveport has always been an important

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market for LifeCare, and the North Campus facility allows us to increase our footprint in the area and build on our already strong relationships with the medical community and other referrers in Shreveport.

“We’re also very pleased to expand our Wisconsin operations,” continued Reed. “Waukesha has been a successful market for us and has an excellent growth outlook. When completed, this facility will be one of the only full-service hospitals in the country designed and built exclusively for medically complex patients. We look forward to advancing a higher level of intensive care for these patients in southeastern Wisconsin.”

LifeCare, based in Plano, Texas, operates 18 long term care hospitals located in nine states. Long term acute care hospitals specialize in the treatment of medically complex patients who typically require extended hospitalization. For more information on LifeCare, visit our website at www.lifecare-hospitals.com.

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