

**News Release  
For Immediate Release  
December 2, 2011**

**Media Contact:**

Rosemary Plorin  
[rosemary@lovell.com](mailto:rosemary@lovell.com)  
615.297.7766

**Investor Contact:**

Chris A. Walker, Chief Financial Officer  
[chris.walker@lifecare-hospitals.com](mailto:chris.walker@lifecare-hospitals.com)  
469.241.2116

**LifeCare Holdings, Inc. Completes Acquisition and Relocates Dallas Subsidiary**

**DALLAS, TEXAS** – LifeCare Hospitals of Dallas, a wholly owned subsidiary of LifeCare Holdings, Inc., has completed the acquisition of selected assets of Vibra Specialty Hospital of Dallas and successfully relocated its operations to Vibra’s location in the Dallas Medical District. Pursuant to the acquisition, Vibra has relocated its operations to the community of Desoto.

The transaction is anticipated to be immediately deleveraging, on a pro forma basis, to the balance sheet of LifeCare Holdings, Inc.

“The acquisition of the Vibra assets and the relocation of our Dallas operations within the Medical District are a reflection of our company’s commitment to the Dallas area,” said LifeCare Chairman and Chief Executive Officer Phillip B. Douglas. “We look forward to strengthening our relationships with area physicians and hospitals, and to enhancing our position as the long term acute care provider of choice in the Dallas area.”

**About LifeCare Holdings, Inc.**

LifeCare, based in Plano, Texas, operates 27 long term acute care hospitals located in 10 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](http://www.lifecare-hospitals.com).

**Forward-Looking Statements**

This press release includes forward-looking statements regarding, among other items, the proposed acquisition of long term acute care hospitals from HealthSouth Corporation, the proposed financing for such acquisition as well operational and regulatory matters. Such forward-looking statements are necessarily estimates based upon current information, involve a number of risks and uncertainties, and relate to, among other things, future events, the likelihood and timing of the closing of this sale transaction, LifeCare’s business strategy, its financial plans, its future financial performance, or its projected business results, or its projected capital expenditures. Actual events or results may differ materially from those anticipated in these forward-looking statements as a result of a variety of factors. Factors that

could cause results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, risks relating to our ability to complete the proposed acquisition, regulatory delay in closing the proposed acquisition, termination fees that we could become obligated to pay under the terms of the definitive agreement in the event that we are unable to complete the acquisition on the terms contemplated by such agreement, operating in a regulated environment, implementing our business plan, maintaining relationships with physicians in our markets, availability of sufficient nurses and therapists, competition, retaining key management, ability to service our debt requirements, litigation matters and availability of insurance, and such other factors that may be identified from time to time in LifeCare's SEC filings and other public announcements, including in our Form 10-K as filed on March 30, 2011, which can be viewed on the SEC's website. Many of the factors that will determine the Company's future results are beyond the ability of management to control or predict. As a result, you should not place undue reliance on forward-looking statements, which reflect management's views only as the date hereof. The Company undertakes no obligation to revise or update any forward-looking statement, or to make any other forward-looking statements whether as a result of new information, future events or otherwise.

###