

**LifeCare Holdings, Inc.**

**For Immediate Release**

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**LifeCare Expands Presence in Emerging Western U.S. Markets**

*Company Grows to Meet Demand for Long Term Acute Care Services*

**Plano, Texas** (June 2, 2008) – LifeCare Holdings, Inc. today announced an expanded presence in the growing Colorado and Idaho markets with the completion of a new long term acute care hospital in Boise and the renovation of Denver-based Colorado Acute Long Term Hospital.

The 60-bed Complex Care Hospital of Idaho, located in the growing Boise/Meridian market in the southwest corner of the state, began receiving its first patients last month. The 60,000-square foot de novo facility is the most advanced long term acute care hospital in the region, drawing on a geographic market that extends into Oregon, Nevada and Utah.

Colorado Acute Long Term Hospital completed extensive renovation and expansion to its facility last month, nearly doubling its square footage and capacity. The free-standing Denver hospital has extensive referral relationships in the region and looks now to broaden its market share in metropolitan and suburban Denver.

These state-of-the-art hospitals are designed and staffed exclusively to serve the needs of medically complex patients who require extended hospitalization. Typically, patients are transferred to a complex care hospital after a stay in an intensive care unit in a general acute care hospital; they require extended acute care management with intensive therapies and 24-hour medical attention.

“We have been very well received by the medical community in Boise and are building on our already strong relationships with physicians in the Denver area,” said LifeCare Holdings Chairman and Chief Executive Officer Wayne McAlister. “Both markets hold strong opportunities to serve patients and medical providers. We look forward to advancing a higher level of intensive care for medically complex patients in these communities.”

LifeCare Holdings, Inc., based in Plano, Texas, operates 20 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 [www.lifecare-hospitals.com](http://www.lifecare-hospitals.com).

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