

LifeCare Holdings, Inc.

**News Release
For Immediate Release
January 10, 2007**

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LifeCare Holdings, Inc. Opens Second Hospital in South Texas

LifeCare bed count in area nears 100 with completion of de novo facility

PLANO, Texas – LifeCare has opened a second freestanding hospital in McAllen, Texas. The facility specializes in meeting the needs of medically complex patients who need acute care hospital services for an extended period, generally more than 25 days.

With a medical staff of more than 125 physicians, the new LifeCare Hospitals of South Texas, located at 5101 North Jackson Street in McAllen, accepted its first patients in mid-December. The 32-bed, 32,000-square foot long term acute care hospital (LTAC) brings LifeCare’s total bed count in the area to nearly 100, complementing LifeCare’s 62-bed hospital in South McAllen, completed in early 2005. The new state-of-the-art facility includes direct observation units, surgical procedure rooms and a separate rehabilitation area offering physical, occupational and speech therapy.

“The McAllen area has experienced tremendous growth in recent years and we are very pleased to expand our presence in the Rio Grande Valley,” said LifeCare Holdings Chairman and CEO W. Earl Reed, III. “We look forward to meeting the needs of critically ill patients in the Valley and building on our relationships with the local medical community.”

LifeCare, based in Plano, Texas, operates 20 long term acute 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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