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FOR IMMEDIATE RELEASE
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REHABCARE ENTERS JOINT VENTURE WITH LANDMARK MEDICAL CENTER
JV Will Own and Operate Rehabilitation Hospital of Rhode Island

ST. LOUIS, MO, September 4, 2007—RehabCare Group, Inc. (NYSE: RHB) has announced that it reached agreement on August 24 with Landmark Medical Center of Woonsocket, RI (Landmark) and its parent Landmark Health Systems, Inc. to jointly own and operate Landmark's existing Rehabilitation Hospital of Rhode Island (RHRI), located in North Smithfield, RI. The transaction is subject to approval by the Director of Health and the State Attorney General.

Under the agreement, RehabCare will become majority owner of a new entity, RHRI, LLC and provide management services for the hospital. The Company will contract with Landmark for clinical, ancillary and support services. Hospital staff will be employed by the joint venture. Financial terms were not disclosed.

RehabCare President and Chief Executive Officer John H. Short, Ph.D., said the venture represents the Company's foray into the Rhode Island market. "We're excited by the prospect of working with Landmark to build a comprehensive continuum of post-acute care for the residents of northern Rhode Island and southeast Massachusetts," he said.

"The considerable experience and know-how that RehabCare will bring as a reputable leader in rehabilitation services management reinforces Landmark's commitment to providing the highest standards of care to Rhode Island and nearby Massachusetts communities," commented Richard Charest, Landmark President.

Landmark Health Systems, Inc. is a non-profit, full-service healthcare system with two main facilities, including Landmark Medical Center, a 214-bed acute care hospital, and an extensive network of physicians and specialty sites. RHRI, which will become a 41-bed hospital, is housed along with Landmark's Occupational Health Department and MRI unit and offers inpatient and outpatient rehabilitation programming under the direction of a board-certified specialist in rehabilitation medicine.

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Celebrating its 25th anniversary and headquartered in St. Louis, MO, RehabCare (www.rehabcare.com) is a leading national provider of physical rehabilitation services in conjunction with nearly 1,300 hospitals and skilled nursing facilities (SNFs) in 43 states, the District of Columbia and Puerto Rico. The Company also owns and/or operates 10 freestanding rehabilitation and long-term acute care hospitals.

This press release contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results in future periods to differ materially from forecasted results. These risks and uncertainties may include but are not limited to, our ability to consummate acquisitions and other partnering relationships at reasonable valuations; our ability to integrate acquisitions and partnering relationships within the expected timeframes and to achieve the revenue, cost savings and earnings levels from such acquisitions and relationships at or above the levels projected; our ability to comply with the terms of our borrowing agreements; changes in governmental reimbursement rates and other regulations or policies affecting reimbursement for the services provided by us to clients and/or patients; the operational, administrative and financial effect of our compliance with other governmental regulations and applicable licensing and certification requirements; our ability to attract new client relationships or to retain and grow existing client relationships through expansion of our service offerings and the development of alternative product offerings; the future financial results of any unconsolidated affiliates; our ability to attract and the additional costs of attracting and retaining administrative, operational and professional employees; shortages of qualified therapists and other healthcare personnel; significant increases in health, workers compensation and professional and general liability costs; litigation risks of our past and future business, including our ability to predict the ultimate costs and liabilities or the disruption of our operations; competitive and regulatory effects on pricing and margins; our ability to effectively respond to fluctuations in our census levels and number of patient visits; the adequacy and effectiveness of our information systems; natural disasters and other unexpected events which could severely damage or interrupt our systems and operations; changes in federal and state income tax laws and regulations, the effectiveness of our tax planning strategies and the sustainability of our tax positions; and general and economic conditions, including efforts by governmental reimbursement programs, insurers, healthcare providers and others to contain healthcare costs.

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