



NEWS RELEASE

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**BAYLOR HEALTH CARE SYSTEM AND
SELECT MEDICAL CORPORATION LAUNCH JOINT VENTURE**

DALLAS, TEXAS — April 1, 2011 — Baylor Health Care System (“Baylor”) and Select Medical Corporation (“Select”) today announced that they have closed their previously announced joint venture transaction, and that the joint venture will commence operations on April 1, 2011.

The joint venture consists of a partnership between Baylor Institute for Rehabilitation and Select Physical Therapy Texas that creates a regional rehabilitation network to serve the Dallas-Fort Worth metroplex. The joint venture expands access to comprehensive inpatient medical rehabilitation and outpatient physical rehabilitation care throughout the metroplex. It encompasses two freestanding medical rehabilitation hospitals (representing a total of 136 beds) and 30 outpatient physical rehabilitation locations. The joint venture manages three Baylor inpatient rehabilitation units (representing a total of 57 beds). It will also provide therapy staffing services for Baylor acute care hospitals in the metroplex.

The joint venture will provide services as a component of the Baylor Health Care System and its daily operations will be managed by Kessler Rehabilitation Services, Inc., a Select Medical company and affiliate of Kessler Institute for Rehabilitation. Kessler Institute is the nation’s largest single rehabilitation hospital and is ranked No. 2 on *U.S. News & World Report’s* annual survey of the nation’s best rehabilitation hospitals. Baylor Institute for Rehabilitation has also earned repeat recognitions in the magazine’s annual “America’s Best Hospitals” list.

Baylor Health Care System is a not-for-profit, faith-based supporting organization providing services to a network of acute care hospitals and related health care entities that provide patient care, medical education, research and community service. Baylor entities recorded more than 2.6 million patient encounters, \$3.8 billion in total operating revenue, \$4.4 billion in total assets and \$513.5 million in community benefit in fiscal year 2010. Baylor’s network of more than 260 access points includes 26 owned/operated/ ventured/affiliated hospitals, 23 joint ventured ambulatory surgical centers, 50 satellite outpatient locations, four senior centers and 156 HealthTexas Provider Network physician clinics.

Based in Mechanicsburg, Pennsylvania, Select Medical Corporation is a leading provider of specialized health care encompassing inpatient medical rehabilitation, outpatient physical rehabilitation, contract therapy and long-term acute care. At present, the company has approximately 26,100 employees and operates 118 specialty hospitals and approximately 944 outpatient clinics in 41 states and the District of Columbia. Its parent company is Select Medical Holdings Corporation, which is listed on the New York Stock Exchange as SEM.

Select Medical Holdings Corporation (NYSE: SEM) is a Public Company

Certain statements contained herein that are not descriptions of historical facts are “forward-looking” statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Because such statements include risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements due to factors including but not limited to those described in Select Medical's filings with the Securities and Exchange Commission.