

November 1, 2010



# LHC Group Announces Third Quarter 2010 Results and Authorization of a \$50 Million Share Repurchase Program

## Highlights:

Net service revenue for the third quarter of 2010 increased 25.4% to \$166.6 million  
Diluted earnings per share for the third quarter of 2010 increased 35.2% to \$0.73 a  
Organic growth for total new admissions for the third quarter of 2010 was 9.6% as c  
During the third quarter, 110 of the Company's agencies were surveyed by the Joint '

**LAFAYETTE, La., Nov. 1, 2010 (GLOBE NEWSWIRE) -- LHC Group, Inc. (Nasdaq:LHCG),** a national provider of home health and hospice services, announced today its financial results for the three and nine months ended September 30, 2010.

## Financial Results for the Third Quarter

Net service revenue for the third quarter of 2010 increased 25.4% to \$166.6 million  
Days sales outstanding, or DSO, for the three months ended September 30, 2010, was .  
Net income attributable to LHC Group for the third quarter of 2010 totaled \$13.3 mi  
Diluted earnings per share was \$0.73 for the third quarter of 2010, an increase of .

In commenting on the results, Keith G. Myers, President and Chief Executive Officer of LHC Group, said, "I am extremely proud of the strong and well balanced operating results our team has delivered once again during the third quarter. It is a real tribute to the strength of our entire organization when we are able to exceed the expectations of all stakeholders while, at the same time, having 110 of our agencies complete Joint Commission surveys. I would like to congratulate and thank our entire team for their unwavering commitment to excellence and for consistently delivering the highest quality of care to the growing number of patients, families and communities we serve."

## Financial Results for the Nine Months

Net service revenue for the nine months ended September 30, 2010, increased 19.6% t

Net income attributable to LHC Group for the nine months ended September 30, 2010,

Diluted earnings per share was \$2.05 for the nine months ended September 30, 2010,

## Share Repurchase Program

The Board of Directors of LHC Group has authorized the repurchase of up to \$50 million of LHC Group's outstanding common stock. Under this plan, the Company can repurchase shares from time to time for cash in open market purchases, block transactions and privately negotiated transactions in accordance with applicable federal securities laws. This share repurchase program may be modified, suspended, terminated or extended by the Company at any time without prior notice.

In commenting on the stock repurchase plan, Mr. Myers added, "This stock repurchase program demonstrates the confidence we have in our company and shows our commitment to delivering long-term shareholder value. Our strong balance sheet enables us to actively invest cash in areas that we believe will drive future value for shareholders, such as acquisitions and stock repurchases. We intend to evaluate each share repurchase using the same discipline, analysis and process that have been so successful for us in our acquisition strategy. While stock price will be one factor in our ongoing repurchase analysis, we will also review many other factors – all with the goal of continuing to deliver the best possible return for our shareholders."

## Guidance

The Company is raising its previously stated guidance range issued on April 28, 2010, with respect to full-year net service revenue from the original range of \$615 million to \$625 million to a range of \$625 million to \$635 million. The Company is reaffirming guidance of fully diluted earnings per share in the range of \$2.75 to \$2.85. This guidance does not take into account the impact of any future acquisitions or share repurchases, if made, or de novo locations, if opened. This guidance also does not include any future legal or other expenses associated with responding to the Securities and Exchange Commission or Senate Finance Committee inquiries.

## Conference Call

LHC Group will host a conference call on Tuesday, November 2, 2010, at 11:00 a.m. Eastern time. The toll-free number to call for this interactive teleconference is (800) 677-1840 (international callers should call 973-890-8327). A telephonic replay of the conference call will be available through midnight on Thursday, November 4, 2010, by dialing (800) 642-1687 (international callers should call 706-645-9291) and entering confirmation number 82945056. A live broadcast of LHC Group's conference call will be available under the Investor Relations section of the Company's website, [www.LHCGroup.com](http://www.LHCGroup.com). A one-year online replay will be available approximately an hour following the conclusion of the live broadcast.

## About LHC Group, Inc.

LHC Group, Inc. ([www.LHCGroup.com](http://www.LHCGroup.com)) is a national provider of home health and hospice services, providing quality, cost-effective healthcare to patients within the comfort and

privacy of their home or place of residence. LHC Group provides a comprehensive array of post-acute healthcare services through home health and hospice locations in its home-based division and long-term acute care hospitals in its facility-based division.

Certain matters discussed in this press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements about the Company's future financial performance and the strength of the Company's operations. Such forward-looking statements may be identified by words such as "continue," "expect," and similar expressions. Forward-looking statements involve a number of risks and uncertainties that may cause actual results to differ materially from those expressed or implied by such forward-looking statements, including changes in reimbursement, changes in government regulations, changes in LHC Group's relationships with referral sources, increased competition for LHC Group's services, increased competition for joint venture and acquisition candidates, changes in the interpretation of government regulations, and other risks set forth in Item 1A. Risk Factors in LHC Group's Annual Report on Form 10-K for the year ended December 31, 2009, filed with the Securities and Exchange Commission. LHC Group undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

LHC GROUP, INC. AND SUBSIDIARIES

2010            Dec. 31,  
2009

accounts of \$10,013 and \$8,262, respectively	Patient accounts 77,604
depreciation of \$13,549 and \$15,030, respectively	Property, b. 28,259
of \$1,298 and \$747, respectively	53,343            46,851

Common stock - \$0.01 par value: 40,000,000 shares authorized;  
 21,156,876 and 20,967,418 shares issued and 18,153,188 and  
 17,990,685 shares outstanding, respectively 181

September 30, Nine Months Ended  
 September 30,

	Net se	Cost of se		
	Provision	General and administra	Ope	Inter
				Non-operating
Income from continuing operations before income taxes and noncontrolling interest	25,747	18,349	73,	Incom
Loss from discontinued operations, net of income tax benefit of \$9 and \$48, respectively	-	(15)		Income from continuin
	Less net income attributable to noncontrol			
	Net income attributable to LHC			
	Redeemable noncontrol			
common stockholders	Net income attributable to LHC Group, Inc.'s	\$ 37,355	\$ 31,2	
	\$ 13,298	\$ 9,829		
	Earnings per sha			
to LHC Group, Inc.	Income from continuing operations attributable	\$ 2.06	\$ 1.7	
	\$ 0.73	\$ 0.55		
to LHC Group, Inc.	Loss from discontinued operations attributable	-	-	
				Net income attributable to LH
				Redeemable noncontrol
common stockholders	Net income attributable to LHC Group, Inc.'s	\$ 2.06	\$ 1.	
	\$ 0.73	\$ 0.55		
	Earnings per share			
to LHC Group, Inc.	Income from continuing operations attributable	\$ 2.05	\$ 1.7	
	\$ 0.73	\$ 0.54		

	Loss from discontinued operations attributable to LHC Group, Inc.	- - - -	
		Net income attributable to LHC Redeemable noncontrol	
	Net income attributable to LHC Group, Inc.'s common stockholders	\$ 0.73      \$ 0.54      \$ 2.05      \$ 1.	
		Weighted average shares	

September 30,

	Operating ac Ne
Adjustments to reconcile net income to net cash provided by operating activities:	
	Depreciation and amortization
	Provision for b
	Stock-based compensation
	Deferred inco
	Loss on impairment of intangibl
	Changes in operating assets and liabilities, net of acqui
	Rec
	Prepaid expenses and othe
	Accounts payable and accrued
	Net amounts due to/from governmental
	Net cash provided by operating ac
	Investing ac
	Purchases of property, building, and e
Cash paid for acquisitions, primarily goodwill and intangibl	Net cash used in investing ac
	Financing ac
	Proceeds from line o
	Payments on line o
	Payment of deferred financ
	Principal payments
	Payments on capita
Excess tax benefits from vesting of restrict	Excess tax benefits from vesting of restrict
	Proceeds from employee stock purch
Purchase of additional controlling	Purchase of additional controlling
	Noncontrolling interest distr
	Net cash used in financing ac
	Change
	Cash at beginning o
	Cash at end o
	Supplemental disclosures of cash flow inf
	Inter
	Income ta

September 30, 2010		Nine Months Ended	
September 30, 2010			
Services	Facility-Based		Net service revenue
Services	Total	Home-Based	Cost of service revenue
Services	Facility-Based		Provision for bad debts
Services	Total		General and administrative expenses
			Operating expenses
			Interest expense
			Non-operating income
Income from continuing operations before income taxes and noncontrolling interest		22,387	Income tax expense
			Income from continuing operations
			Noncontrolling interest
LHC Group, Inc.		Net income attributable to	
		\$ 11,154	\$ 2,144
			\$
			Total
Three Months Ended			
September 30, 2009		Nine Months Ended	
September 30, 2009			
Services	Facility-Based		Net service revenue
Services	Total	Home-Based	Cost of service revenue
Services	Facility-Based		Provision for bad debts
Services	Total		General and administrative expenses
			Operating expenses
			Interest expense
			Non-operating income
Income from continuing operations before income taxes and noncontrolling interest		16,593	Income tax expense
			Income from continuing operations
			Noncontrolling interest
		Loss from discontinued operations	
LHC Group, Inc.		Net income attributable to	
		\$ 8,833	\$ 999
			\$
			Total

Three Mon

September 30, Nine Months Ended  
September 30,

Key Data:

Home-Based Services:

Home Health locations

Hospice locations

Acquired (1)

De novo (1)

Home Health:

Total new admissions (2)

Medicare new admissions (2)

Average weekly census

Average Medicare weekly census

Medicare completed and billed episodes

Average Medicare case mix for completed and billed Medicare episodes

Average reimbursement per completed and billed Medicare episodes

Total visits

Total Medicare visits

Average visits per completed and billed Medicare episodes

Organic growth (3):

Net revenue

Net Medicare revenue

Total new admissions

Medicare new admissions

Average weekly census

Average Medicare weekly census

Medicare completed and billed episodes

Facility-Based Services:

Long-term Acute Care Hospital locations

Acquired (1)

Patient days

Patient acuity mix

- (2) 2009 admission information revised to reflect patients who converted from traditional acute care hospitals.
- (3) Organic growth is calculated as the sum of same store plus de novo for the year ended September 30, 2009.

CONTACT: LHC Group

Eric Elliott, Vice President of Investor Relations

(337) 233-1307

[eric.elliott@lhcgrou.com](mailto:eric.elliott@lhcgrou.com)

Image: LHC Group Logo