



## **PHC, Inc. Begins Construction on Seven Hills Behavioral Institute Near Las Vegas**

May 3, 2007

**Initial permitting, pre-construction completed; Hospital expected to open by early 2008 Company continues to cultivate relationships to help accelerate initial occupancy**

PEABODY, Mass., May 3, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- PHC, Inc., d.b.a. Pioneer Behavioral Health (Amex: PHC), a leading provider of inpatient and outpatient behavioral health services today announced that the Company has completed the initial permitting and pre-construction phases related to its Seven Hills Behavioral Institute near Las Vegas, in Henderson Nevada. With these initial phases completed, PHC management continues to project an opening in early 2008.

The Company hosted a groundbreaking ceremony for the 60-bed psychiatric and chemical dependency hospital in March, 2006, and since that time, management has been working to complete all necessary licenses and permits required by state and local authorities. The hospital is the first free-standing psychiatric center to open in the region in two decades, and the Company has contracts in place to rapidly achieve profitable operations.

"Since we announced plans to construct this facility, demand has significantly increased and we have strengthened our relationships in the region which will help to drive early occupancy at this hospital," commented Bruce A. Shear, Pioneer's President and Chief Executive Officer. "The greater Las Vegas metropolitan area, with a population of more than 1.6 million, remains one of the fastest-growing regions in the country, and services, such as psychiatric and chemical dependency, have struggled to keep up with demand. Accordingly, we are confident our facility will meet the growing demand for an underserved and rapidly growing population in this region. With no free-standing psychiatric hospitals or inpatient beds in Henderson, we remain well-positioned to fill a significant void in this market. Pioneer is committed to bringing effective inpatient psychiatric services to populations in need and providing a valuable service to this community."

The facility will increase the total number of beds Pioneer operates to approximately 300 nationwide. The Company expects the Seven Hills Behavioral Institute to begin contributing to Pioneer's revenue and profitability by the quarter ending June 2008 with annualized revenue of approximately \$12 million. Margins are expected to be higher than existing margins within the Company's other inpatient facilities.

### **About Pioneer Behavioral Health**

Pioneer Behavioral Health operates companies that provide inpatient and outpatient behavioral health care services, clinical research and Internet- and telephonic-based referral services. The companies contract with national insurance companies, government payers, and major transportation and gaming companies, among others, to provide such services. For more information, please visit [www.phc-inc.com](http://www.phc-inc.com) or [www.haydenir.com](http://www.haydenir.com).

Statement under the Private Securities Litigation Reform Act of 1995: Statement under the Private Securities Litigation Reform Act of 1995: This press release may include "forward-looking statements" that are subject to risks and uncertainties. Forward-looking statements include information about possible or assumed future results of the operations or the performance of the company and its future plans and objectives. Various future events or factors may cause the actual results to vary materially from those expressed in any forward-looking statements made in this press release. For a discussion of these factors and risks, see the Company's annual report on Form 10-K for the most recently ended fiscal year.

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