



**CareTech Holdings PLC  
("CareTech" or "the Group")**

**Trading Update**

CareTech (AIM: CTH), a leading UK provider of specialist social care services issues the following trading update. The Group expects to announce its preliminary results for the year ended 30 September 2009 in the week commencing 7 December 2009.

The performance of the underlying business remains strong and CareTech is pleased to report further significant growth:

- Trading for the year to 30 September 2009 is in line with management's expectations and reflects continuing progress from both organic and acquisitive growth.
- Beacon Care and Valeo, our two major acquisitions in the previous financial year, have delivered results in line with management's expectations and have been integrated well into our effective regional structure.
- During the year to 30 September 2009 CareTech increased capacity by a further 122 beds, adding 97 beds through organic growth across our range of specialist services and 25 through the acquisition of Lyndhurst.
- The purchase of 25 beds from Lyndhurst earlier this year has enhanced the Group's 'step down' mental health capabilities; we have also extended our infrastructure in response to the increased demand for specialist services.
- Occupancy in established services continues to run at 93% providing longevity and visibility of our cash backed income stream.

The Group continues to evaluate further selective acquisition opportunities alongside organic growth in order to develop our range of services, and consolidate the highly fragmented specialist markets in which we operate.

Farouq Sheikh, Executive Chairman commented:

"Organic bed growth is again ahead of management expectations and our strong regional management structure continues to support local relationships in order to deliver continuing growth. Our acquisitions in 2008 have been successfully integrated and the acquisition of Lyndhurst in 2009 is an important extension of our community mental health capability. With leading internal quality standards, high levels of occupancy, a visible income stream and strong cash flow, we remain confident about the future prospects of the Group."

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