



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

Trading Update and Investor Workshop

Ahead of the publication of its results for the year ended 30th September 2012, the Board of CareTech is pleased to provide shareholders with the following update on trading.

The Group continues to demonstrate improved performance and as a result the Board is pleased to report that trading for the full year will be in line with its expectations.

The Group plans to announce its preliminary results for the year ended 30 September 2012 on 6 December 2012.

During the financial year capacity increased by 110 places to 2,166. Occupancy levels in the mature estate have been maintained at 92% and the blended occupancy remains around 86%.

The Board believes that CareTech's diverse offering, its high quality care provision and comprehensive range of services provide a compelling offering in this changing environment.

The Group has invested, reconfigured and developed a number of new services to meet current and anticipated market demand whilst at the same time strengthening average fee rates in those services. These have been developed by working closely with local commissioners providing bespoke solutions to meet the complex needs of their clients. As most have been completed towards the end of the year, the full benefit of these schemes will be seen in 2013 and beyond.

Completion of the bank refinancing earlier in the year also provides a platform for continuing investment in organic growth initiatives which will position the Company well in the medium and longer term. The new facility expires in January 2017 and after taking account of hedging costs the facilities are at a highly competitive all-in debt service charge of less than 4.5%.

Net debt at the period end amounted to £131.2m (30 September 2011: £127.3m and 31 March 2012: £131.5m).

The Board has further strengthened its care governance with the new Board sub-committee having responsibility for Care Governance and Safeguarding. This committee is managed by the Non-Executive Directors and chaired by Mike Adams, OBE, who also involves the Group's compliance team and external professionals and this is part of our continued focus to deliver the highest standards of care to our service users.

Farouq Sheikh, Executive Chairman commented:

“The Group has had a strong trading performance and successful refinancing. It is encouraging to see such a high level of commitment from both our existing club of banks and a new club member. This is a testament to the strength of our business and I thank the banks for their support. Recent corporate activity is an indication of increased confidence in the fundamental dynamics of the sector, and in particular the funding environment. I am pleased to see that the new schemes have all opened and in the new financial year look forward to our teams engaging further with commissioners to replicate these successes in other areas.”

CareTech will be hosting an Investor Workshop at 10.30am this morning at the offices of Buchanan, 107 Cheapside, London. The objective of this meeting is to provide a deeper understanding of CareTech’s care pathway range of services, its marketplace, opportunities for growth and the company’s future strategy & outlook. The Company can confirm that no new financial information will be released at this event. If you would like to register your attendance please email carriec@buchanan.uk.com.

For further information please contact:

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