

EIGHTH ACQUISITION IN 12 MONTHS FOR LYCEUM-BACKED CAREWATCH

Lyceum Capital, the mid-market growth investor, has completed the acquisitions of Always There Homecare and Four Seasons Homecare on behalf of platform investment Carewatch, the fast growing provider of domiciliary care services.

These deals provide the business with eight new owned branches in the North West, Midlands and North Wales, and completes a total of eight Lyceum Capital-funded add-on acquisitions made since early 2009.

This ongoing strategy has seen Carewatch build a 147-strong branch network, of which 115 are operated by franchisees, together delivering around 190,000 hours of care and support services per week to over 22,000 people. Further acquisitions have already been identified for 2010.

The company has seen turnover grow by 180 per cent to £34 million since it was acquired from Nestor Healthcare Group plc for £37 million in October 2008.

This Lyceum Capital-funded deal took the division out of public ownership and since then the private equity house has arranged further funding of around £17 million for Carewatch add-on acquisitions and new investment for growth.

In addition to supporting a comprehensive consolidation and growth strategy, Lyceum Capital has also worked with management to significantly strengthen the business' infrastructure.

This has included enhancing support for the franchise network, strengthening management, improving quality processes with an ISO9001 implementation programme and investment in IT systems.

These innovations have been further supported by the re-launch of the Carewatch brand, designed to reflect the organisations commitment to a people-focused approach.

.../2

Philip Buscombe, Chairman of Lyceum Capital, said: "This acquisition is the next stage of a growth strategy designed to build Carewatch into a robust market leader, capable of providing its high level of service to an increasing number of people through a continually expanding branch network.

"We've now acquired 44 add-ons for our portfolio companies. Carewatch is another great example of how Lyceum Capital uses acquisitions to turn niche businesses into larger organisations with improved market position, higher growth and with the critical mass needed to attract interest from potential acquirers."

David Lyon, Joint Managing Director, Carewatch, added: "The purchase of Always There Homecare and Four Seasons Homecare strengthens our already comprehensive reach and is further evidence of our strategy of acquiring high quality local businesses who can benefit and flourish by being part of a national network backed up by a strong infrastructure.

"Last year saw Carewatch move forward in all areas with increases in turnover and performance including some substantial contract wins. Our whole network of franchisee and company-owned branches has returned to positive growth in weekly hours. "

Lyceum Capital has extensive experience of building firms in the home health and social care sectors.

Previous investments include Clinovia, a leading independent company providing home care for patients with long-term medical conditions and Southern Cross, the leading UK Elderly-care provider.

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Cont/d

.../3

About Lyceum Capital:

Lyceum Capital is an independent private equity firm which is investing in innovative and growing UK-headquartered businesses from its latest £255 million fund.

Using a research-driven approach to origination, Lyceum Capital makes highly targeted investments in businesses with the potential to become robust participants in fragmented and growing sectors.

It invests between £5 million - £30 million in deals with typical enterprise values of £10 million - £75 million.

Lyceum Capital works alongside management teams to increase scale and capture market share by driving operational improvements, supporting organic growth and sourcing and funding complementary acquisitions.

Through a combination of investment, operational and strategic input Lyceum Capital builds robust and successful businesses with good long-term growth prospects.

About Carewatch:

The national provider of local home care, Carewatch, has been delivering care and support services to people across the since 1993. The company was founded on the principle of setting the benchmark standard in the provision of the highest quality of care, staff and services and this has always remained the case. Today, Carewatch provides over 22,000 people of all ages with more than 190,000hours of care and support services each week from some 147 offices across the UK helping people maintain independence in their own homes.

In addition to supporting elderly people, Carewatch provides other support services to adults and children with learning/physical disabilities, those with mental health needs; informal carers, enabling them to take a break from their caring commitments; people with dementia, Alzheimer's disease or other long-term illness or condition; people requiring end-of-life care; people discharged from hospital and many other unique care and support situations.

Carewatch has vast experience in delivering local personalised services. The company ethos is recognised as personal, caring and supportive. Customers are able to retain their independence, dignity and security, in their own homes, from its care and support workers.

All Carewatch offices are registered with the government regulator for their particular country - in Wales the Care and Social Services Inspectorate Wales (CSSIW), in Scotland the Scottish Commission for the Regulation of Care/Scottish Care Commission (SCRC), and in England the Care Quality Commission (CQC).

Please visit www.carewatch.co.uk for more information.