

LYCEUM-BACKED CAREWATCH CONTINUES ACQUISITION PROGRAMME

Carewatch, the Lyceum Capital-backed provider of domiciliary care services, has further strengthened its regional network with the acquisition of three businesses.

It has purchased Midlands-based homecare organisation All and Small and two current franchise businesses Carewatch North Tyneside and Carewatch Swansea with the mid-market growth investor's support.

These latest deals bring the total number of add-on acquisitions made by Carewatch to 11 since Lyceum Capital and management acquired the company from Nestor Healthcare Group plc for £37 million in October 2008.

The move is the latest stage in a comprehensive growth plan which is focused on consolidating the highly fragmented domiciliary care services market and building a market leading organisation based on benchmark standards of quality care and support.

So far the strategy has seen the business build a 149-strong UK-wide branch network and grow turnover by 180 per cent to £34 million.

The latest acquisitions reflect Carewatch's continued drive on quality and its growing portfolio of services.

All and Small has an 'excellent' rating from the Care Quality Commission (CQC) for its homecare and mental health services.

Carewatch North Tyneside has been serving its local community since 2003 and has specialist experience in the provision of Learning Disabilities and Mental Health services whilst Carewatch Swansea provides a wide range of homecare services to the second largest city in Wales and its surrounding areas.

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Philip Buscombe, Chairman of Lyceum Capital, said: "Since we took Carewatch out of public ownership we've worked closely with management to implement a structured approach to expansion which has delivered superior operating performance, growth and value.

"The funding, partnership and expertise Lyceum Capital provides has enabled this excellent management team to significantly increase scale and capture market share, and is helping to secure further opportunities to continue that trend in 2010."

Carewatch's Chief Executive Officer David Lyon, said: "These most recent purchases strengthen our already comprehensive network. Our ongoing acquisition growth strategy is based upon the identification and purchase of high quality local businesses, which can benefit and flourish by being part of a national network, backed by our strong infrastructure.

"Carewatch is committed to keeping quality standards high within the homecare industry. We have had a very strong 18 months, with increases in turnover, performance and hours of care delivered. Total hours of care delivery now exceed 195,000 hours per week across the UK, and our quality ratings are above the national comparator."

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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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 195,000 hours of care and support services each week from some 149 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.