

Care UK Plc
("Care UK" or "the group")
AGM and Interim Management Statement

Care UK, the leading health and social care provider, issues the following Interim Management Statement covering the period from 1 October 2009 to date.

The group's current overall trading for the remainder of the financial year remains in line with management's forecasts.

Social Care

Occupancy and fee rates across Residential and Specialist Care continue to be satisfactory. Underlying volumes in Community Care have been maintained, with normal seasonal reductions over the holiday season being slightly exacerbated by the effects of the extreme weather conditions. However, we were widely applauded by commissioners and service users for maintaining service levels despite these challenging conditions.

Construction is now commencing for new care homes for older people in Portsmouth and Crowborough. Planning permission is being sought for a new care home in East Grinstead.

The recovery of performance in Community Care is progressing and we remain confident that, over time, we will return to our historic level of profitability.

Care UK continues to achieve sector leading quality ratings. Over 90% of the group's care homes now enjoy Good or Excellent ratings from the Care Quality Commission, and we are pleased that 94% of our Community Care branches are now rated Good or Excellent. This represents the best performance of all large providers of both care home and community care services.

Health Care

The Health Care business has continued to perform ahead of our expectations.

The Clinical Assessment and Treatment Support ("CATS") service in Greater Manchester, continues to see steady growth in patient numbers and has the active support of the Strategic Health Authority and Primary Care Trusts.

We have agreed short term extension arrangements for our Independent Sector Treatment Centres ("ISTCs") at Plymouth and Barlborough Links. At Plymouth the agreed extension period is for five months with broadly similar contractual arrangements as at present whilst at Barlborough Links the extension will take the form of a lease for the site with the service being operated under the intended post-contract commercial arrangements. The guaranteed asset residual value buyback arrangements for these centres will operate as planned and are unaffected, in scale or timing, by these extension arrangements. We remain confident that we will continue to operate these centres into the longer term.

The pipeline for new business opportunities remains encouraging.

Financing

As at 31 January 2010 the group's net debt was c£159m compared with £156m as at 30 September 2009. The group currently has a significant level of committed funding headroom, of almost £90m, including cash, more than sufficient to fund all existing and planned expenditure commitments. The principal group facility is committed for over five years until February 2015.

Bid approach

Following the bid approach received from Bridgepoint, originally announced on 30 September 2009 and subsequently referred to in the further announcement made on 17 December 2009, the Board is in continued discussions with Bridgepoint, who have been granted access to work with the existing management team on a management buy out proposition. Bridgepoint's due diligence is well advanced; however, shareholders should note that there can be no guarantee that any formal offer for the Company will be forthcoming. A further announcement will be made as and when appropriate.

- Ends -

For further information, please contact:

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