

21 December 2011



CARECAPITAL GROUP PLC
("CareCapital", "the Group" or "the Company")

Half-Year Results for the Six Months to 30 June 2011

CareCapital plc (AIM: CARE) announces its half-year results for the six month period ended 30 June 2011.

Highlights

- Deleveraging strategy continued – sale of German portfolio post period end eliminates Euro debt and provides working capital
- Significantly reduced loss for the first half of 2011
- Remaining pipeline of UK healthcare developments now largely pre-sold to reduce financial risk and secure development profits
- Planning secured for first Proton Beam Therapy Centre in the City of London for 28.75% owned Advanced Proton Solutions, four more centres in the pipeline in the USA

Dr. Michael Sinclair, Chairman, commented, "We are, thankfully, now in a position to start to rebuild value for shareholders - now that CareCapital has substantially deleveraged - through our interests in the remaining UK healthcare development pipeline and in perhaps the world's fastest growing cancer treatment sector."

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Chairman's Statement

The first half of 2011 saw your Board focussing on three priorities: deleveraging CareCapital, the implementation of our policy of pre-selling UK development projects before commencement of construction and the establishment of Advanced Proton Solutions (Holdings) Ltd (APS) as a major participant in the development and operation of Proton Beam Therapy centres for cancer treatment internationally. I am pleased to report progress in all three areas, notwithstanding the difficult financial times in which we all currently operate.

Post the period end, we agreed the sale of our German portfolio to North West Venture Partners for an aggregate consideration of €27.35 million. This transaction was the subject of a circular to shareholders whose approval of the sale was given at a general meeting of the Company on 19 September 2011. The transaction was notarised on 9 November 2011. The receipt of proceeds to date has resulted in the repayment of approximately €23 million of Senior debt, and approximately £2.9 million of short term mezzanine debt. The Board believes that the repayment of (for us) a substantial Euro denominated debt was both timely and prudent given the subsequent difficulties of the Euro debt markets. The surplus cash generated by this sale has been utilised to provide working

capital to advance our UK healthcare real estate interests and our Proton Beam Therapy business, APS.

CareCapital has a significant pipeline of UK Medical Centre developments which it has, in the main, secured through competitive tender. The projects currently under construction have been pre-sold to Healthcare investment funds, and further projects will be subject to similar arrangements. It is anticipated that construction will commence on two further schemes in the first half of 2012.

Last, but by no means least, I turn to the Company's 28.75% shareholding in APS. Proton Beam Therapy is widely recognised worldwide as the most effective treatment for a variety of cancer conditions and is particularly appropriate in the paediatric treatment of such conditions as a result of its accuracy in targeting tumours and its limited side effects when compared to existing conventional treatments. There are currently 32 centres worldwide with a requirement, according to industry sources, of over 1,000 in the next 10 to 15 years.

During 2011, APS has, with Care Capital's assistance, secured planning approval for its first London based Proton Beam Therapy centre off Moorgate in the City of London – within easy access of a number of London's major hospitals. Construction will commence in 2012 and treatment of patients is planned to commence in 2014. In addition, APS is involved with four further projects in the USA, including one partnership with the prestigious UCLA (University of California, Los Angeles) Medical Centre. APS has put in place, with our help, a first class management team that includes some of the leading experts in the field. We are excited about the prospects for APS which has now secured a leading position in a genuinely fast growing worldwide market.

Shareholders will be well aware that the Company, its management and its Board have worked hard to overcome the Group's funding issues post the 2008 crash and in the difficult financial markets which have persisted to this day. We are, thankfully, now in a position to start to rebuild value for shareholders - now that CareCapital has substantially deleveraged - through our interests in the remaining UK healthcare development pipeline and in perhaps the world's fastest growing cancer treatment sector. I hope to report further progress on both fronts in due course.

Dr Michael Sinclair,
Chairman
15 December 2011

Consolidated statement of comprehensive income

For the six months ended 30 June 2011

	Six months ended 30-Jun 2011 <i>Unaudited</i> £	Six months ended 30-Jun 2010 <i>Unaudited</i> £	Year ended 31-Dec 2010 <i>Audited</i> £
Revenue	3,002,695	1,119,528	3,395,568
Cost of sales	(2,174,939)	(200,768)	(1,698,278)
Gross profit	827,757	918,760	1,697,290
Administrative expenses	(919,281)	(1,005,945)	(1,765,751)
Fair value adjustment to amounts recoverable on contracts	290,987	-	-
Net (loss) / gain on revaluation of investment properties	-	(279,635)	(1,064,863)
Loss on disposal of UK portfolio	-	-	(1,050,205)
Net portfolio gains / (losses)	-	-	(2,115,068)
Development costs written off	-	-	(504,172)
Operating profit / (loss)	199,463	(366,820)	(2,687,701)
Finance income	70	149	648
Finance costs	(800,610)	(1,655,868)	(1,607,323)
Loss on ordinary activities before taxation	(601,077)	(2,022,539)	(4,294,376)
Taxation	-	-	118,888
Loss after taxation	(601,077)	(2,022,539)	(4,175,488)
Loss for the period			
- Attributable to equity shareholders	(628,786)	(2,002,462)	(4,094,292)
- Non- controlling interests	27,709	(20,077)	(81,196)
	(601,077)	(2,022,539)	(4,175,488)
Other Comprehensive Income			
Exchange differences on translation foreign operations	444,611	(554,792)	(332,071)
Total comprehensive loss for the period	(156,466)	(2,577,331)	(4,507,559)
Total comprehensive income / (loss) attributable to :			
- Equity shareholders	(228,636)	(2,541,929)	(4,393,156)
- Non controlling interest	72,170	(35,402)	(114,403)
	(156,466)	(2,577,331)	(4,507,559)
Loss per Ordinary Share			
Basic and diluted - total	(0.002)p	(2.64)p	(5.33)p
Weighted average number of shares ('000)	76,754	76,754	76,754

Consolidated statement of financial position

As at 30 June 2011

	As at 30 June 2011 <i>Unaudited</i> £	As at 31 December 2010 <i>Audited</i> £	As at 30 June 2010 <i>Unaudited</i> £
Non - current assets			
Investment properties	32,498,710	31,009,083	31,143,199
Development properties	3,459,948	3,072,761	3,984,188
Leasehold improvements	59,176	64,087	68,997
Plant and equipment	30,638	37,951	35,835
	36,048,472	34,183,882	35,232,219
Current assets			
Amounts recoverable on contracts	5,961,424	1,789,648	-
Trade and other receivables	903,680	759,658	477,550
Cash and cash equivalents	36,990	148,442	13,082
	6,902,094	2,697,748	490,632
Total assets	42,950,566	36,881,630	35,722,851
Current liabilities			
Trade and other payables	(3,583,542)	(2,617,938)	(1,327,501)
Borrowings	(12,995,178)	(7,383,476)	(3,475,329)
	(16,578,720)	(10,001,414)	(4,802,830)
Non - current liabilities			
Borrowings	(19,087,974)	(19,439,878)	(21,565,485)
Deferred tax provision	(288,066)	(288,066)	(406,954)
	(19,376,040)	(19,727,944)	(21,972,439)
Total liabilities	(35,954,760)	(29,729,358)	(26,775,269)
Net assets	6,995,806	7,152,272	8,947,582
Equity			
Share capital	767,541	767,541	767,541
Share premium account	1,397,500	1,397,500	1,397,500
Share option reserve	557,996	557,996	423,078
Reverse acquisition reserve	11,038,204	11,038,204	11,038,204
Exchange movements reserve	(39,063)	(439,213)	(639,662)
Profit and Loss account	(6,929,596)	(6,300,810)	(4,249,134)
Equity shareholders interest	6,792,582	7,021,218	8,737,527
Non controlling interest	203,224	131,054	210,055
Total equity	6,995,806	7,152,272	8,947,582

Consolidated statement of changes in equity

For the six months ended 30 June 2011

	Share capital £	Share premium £	Share options reserve £	Reverse acquisition reserve £	Exchange movement reserve £	Accumulated losses £	Equity Shareholder Interest £	Non Controlling Interest £	Total £
Balance at									
1 January 2010	767,541	1,397,500	412,255	11,038,204	(140,349)	(2,206,518)	11,268,633	245,457	11,514,090
Exchange rate movement	-	-	-	-	(499,313)	-	(499,313)	(55,479)	(554,792)
Loss for the period	-	-	-	-	-	(2,042,616)	(2,042,616)	20,007	(2,022,539)
Total comprehensive									
income	-	-	-	-	(499,313)	(2,042,616)	(2,541,929)	(35,402)	(2,577,331)
Share based payment									
- employee services	-	-	10,824	-	-	-	10,824	-	10,824
Balance at									
30 June 2010	767,541	1,397,500	423,078	11,038,204	(639,662)	(4,249,134)	8,737,527	210,055	8,947,582
Balance at									
30 June 2010	767,541	1,397,500	423,078	11,038,204	(639,662)	(4,249,134)	8,737,527	210,055	8,947,582
Exchange rate movement	-	-	-	-	200,449	-	200,449	22,272	222,721
Loss for the period	-	-	-	-	-	(2,051,676)	(2,051,676)	(101,273)	(2,152,949)
Total comprehensive									
income	-	-	-	-	200,449	(2,051,676)	(1,851,227)	(79,001)	(1,930,228)
Share based payment									
- employee services	-	-	10,824	-	-	-	10,824	-	10,824
costs of raising finance			124,094				124,094		124,094
Balance at									
31 December 2010	767,541	1,397,500	557,996	11,038,204	(439,213)	(6,300,810)	7,021,218	131,054	7,152,272
Balance at									
1 January 2010	767,541	1,397,500	557,996	11,038,204	(439,213)	(6,300,810)	7,021,218	131,054	7,152,272
Exchange rate movement	-	-	-	-	400,150	-	400,150	44,461	444,611
Loss for the period	-	-	-	-	-	(628,786)	(628,786)	27,709	(601,077)
Total comprehensive									
income	-	-	-	-	400,150	(628,786)	(228,636)	72,170	(156,466)
Balance at									
30 June 2011	767,541	1,397,500	557,996	11,038,204	(39,063)	(6,929,596)	6,792,582	203,224	6,995,806

Consolidated statement of cash flows

For the six months ended 30 June 2011

	Six months ended 30 June 2011 <i>Unaudited</i> £	Six months ended 30 June 2010 <i>Unaudited</i> £	Year ended 31 December 2010 <i>Audited</i> £
Cash flows from operating activities			
Loss after taxation	(601,077)	(2,022,988)	(4,175,488)
Adjustments			
Taxation	-	-	(118,888)
Finance costs	800,609	885,747	1,607,323
Finance income	(70)	(149)	(648)
Net portfolio losses	-	1,050,205	2,115,068
Revaluations of developments in progress	(290,987)	-	-
Depreciation	13,528	14,207	27,318
Write off of development costs incurred	-	22,482	504,172
Share based payments	-	10,824	145,742
Cash flows from operations before changes in working capital	(77,997)	(39,672)	104,599
Change in amounts recoverable on contracts	(4,171,776)	-	(1,789,648)
Change in trade and other receivables	(144,023)	34,970	(247,086)
Change in trade and other payables	839,991	(1,126,355)	362,276
Cash (used) / generated from operations	(3,553,805)	(1,131,057)	(1,569,859)
Interest paid	(622,731)	(825,965)	(1,678,472)
Costs associated with disposal of companies	-	(1,050,205)	(1,050,205)
Cash flows from operating activities	(4,176,536)	(3,007,227)	(4,298,536)
Cash flows from investing activities			
Disposal of investment property	-	23,248,860	23,249,001
Disposal of development property	-	280,935	296,497
Capital expenditure on investment properties	-	-	(115,844)
Capital expenditure on development properties	(349,300)	(791,775)	(82,697)
Purchase of plant and equipment	(3,148)	-	(8,532)
Interest received	70	149	648
Cash flows from investing activities	(352,378)	22,738,169	23,339,073
Cash flows from financing activities			
New mortgage loans raised (Net of transaction costs)	-	953,362	742,950
Development loans	3,647,932	-	1,524,120
Repayment of loans	(260,517)	(21,326,542)	(22,084,771)
Directors' loan (net of costs)	-	28,500	26,816
Other short term loans	879,500	-	243,000
Cash flows from financing activities	4,266,915	(20,344,680)	(19,547,885)
Decrease in cash and cash equivalents	(261,999)	(613,738)	(507,348)
Cash and cash equivalents at 1 January	(238,775)	268,573	268,573
Cash and cash equivalents at closing	(500,774)	(345,165)	(238,775)
Comprising:			
- Cash and cash equivalents	36,990	13,082	148,442
- Bank overdrafts	(537,764)	(358,247)	(387,217)
- Total	(500,774)	(345,165)	(238,775)

Notes to the accounts (Unaudited)

1. Basis of preparation

The interim report of the Groups results for the six months ended 30 June 2011 was approved by the Board on 15th December 2011.

The interim financial information has not been audited and does not constitute statutory accounts as defined under section 435 of the Companies Act 2006.

The interim financial statements have been prepared in accordance with applicable accounting standards and are consistent with those accounting policies adopted in the consolidated statutory accounts of CareCapital Group Plc for the year ended 31 December 2010, prepared under IFRS as adopted in the EU. The auditors' report on those accounts, which have been filed with the Registrar of Companies, was unqualified but did contain an Emphasis of Matter with respect of the ability of the Company and the Group to continue as a going concern. The auditors' report did not contain a statement under section 498(2) or 498 (3) of the Companies Act 2006.

In the Group's annual report and accounts, the Directors stated that additional working capital would be required to fund progress on several development projects, a number of funding options had been reviewed and negotiations were progressing to secure the required finance. Since then further options have presented themselves to the Board and are also under active review. The Directors continue to have reasonable expectations of securing funding which will enable the Group to meet its debt repayment, development programme and working capital requirements for a period in excess of twelve months.

Consequently, the financial statements have been prepared on a going concern basis. However, there can be no certainty that funding will be secured and this interim financial information does not contain any adjustments that might be necessary in the event that funding is not secured.

2. Earnings per Share

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
Basic earnings per share			
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year,			
(Loss) / profit attributable to equity holders of the Company (£)	(628,786)	(2,022,462)	(4,094,292)
Weighted average number of ordinary shares in issue (thousands)	76,754	76,754	76,754
(Loss) / earnings per share (pence per share)	(0.002)	(2.64)	(5.33)

Diluted earnings per share

The Company has two categories of dilutive potential ordinary shares - share options and warrants. A calculation is undertaken to determine the number of shares which could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options. It is compared with the number of shares which would have been issued assuming the exercise of the share options.

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
(Loss) / profit attributable to equity holders of the Company (£)	(628,786)	(2,022,462)	(4,094,292)
Weighted average number of ordinary shares in issue (thousands)	76,754	76,754	76,754
Adjustment for share options (thousands)	-	-	-
Weighted average number of ordinary shares for diluted earnings (thousands)	76,754	76,754	76,754
Diluted (Loss) / earnings per share (pence per share)	(0.002)	(2.64)	(5.33)

3. Availability of Results

These results are available on the Company's website, www.carecapital.co.uk

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