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

Update on Investment and Development Programme

CareCapital plc (AIM: CARE), the healthcare real estate developer and owner, announces that The Healthcare Property Company Wales Limited – its 50/50 Joint Venture with Gaufron Healthcare – has been selected as preferred developer for a new build primary care project in Brynhyfryd, Swansea.

This 2,550 sqm, £7 million development will house an existing five partner GP practice, further community medical facilities operated by the Local Health board, and a training unit for the Swansea Medical School. It is anticipated that construction works on the project will commence early next year, with completion in the Spring of 2010.

This project is the fourth that CareCapital has won in Wales by competitive bid, and the total development value of these projects now exceeds £30 million. The contracts in Wales have been won with the benefit of support from Norwich Union Commercial Finance; as a provider of senior debt for CareCapital's UK development programme.

CareCapital also announces that its German operation has completed the acquisition of a site in Pankow, Central Berlin for the development of a 3,600 sqm medical office building with an estimated development value on completion of €8.3 million. Pre letting has commenced with the view to starting construction works early next year for completion in January 2010. Senior debt funding for the project has been agreed with APO Bank.

Paul Stacey, Chief Executive of CareCapital commented: "It is very pleasing to have been selected as preferred bidder on the development in Brynhyfryd, further strengthening our portfolio in Wales, in addition to having completed the acquisition of the Pankow site in Berlin. Once again, these projects highlight CareCapital's commitment to expanding its programmes in both the UK and Germany".

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