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**CareCapital Group Plc**  
**("CareCapital" or "the Company")**

**Investment and Development Programme in Germany**

CareCapital Group Plc, the healthcare real estate company which listed on AIM in August (CARE), announces that it has completed the acquisition of a major medical centre in Berlin as the first part of an initial €35 million investment and development programme in Germany.

This first investment, at an acquisition cost of € 9.2 million, is a 4,100 sq m medical facility housing 34 tenants including physicians, dentists, a dental lab, diagnostic facilities, a pharmacy and other healthcare related retailers. An additional €4.2 million acquisition of a 2,800 sq m medical centre housing 25 medical tenants situated to the South East of Berlin together with its adjoining development site is scheduled for completion in February 2007.

These two investments represent the initial stage of the €35 million programme, on which heads of terms have been agreed with a German developer/construction company, with funding supplied by a major German bank. The programme currently includes two further development sites in the Berlin area. Any additional funding for the programme will come from the Company's existing resources and facilities.

The programme enables CareCapital to capitalise on recent changes in German legislation which favour primary care provision from large, integrated medical care centres.

Michael Sinclair, Chairman, commented "The investment and development programme in Germany follows extensive research, conducted by CareCapital over the past months and represents an exciting opportunity for the Company. It will not impact on our development programme in the UK which remains on target.

"CareCapital will leverage its UK experience to manage and develop the mixed economy healthcare facilities in Germany that will increasingly become a feature of UK primary care provision as services are moved out of the hospital environment to community locations in accordance with Government policy. In addition, the programme will bring us high quality assets at yields significantly greater than those currently prevailing in the UK and with similarly comparable covenant profiles."

**For further information please visit [www.carecapital.co.uk](http://www.carecapital.co.uk) or contact:**

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