



**News release**

6 December 2013

**Graphite Capital backs MBO of home care group, City & County Healthcare**

Graphite Capital, a leading UK mid-market private equity specialist, has backed the management buy-out of City & County Healthcare Group (C&C), the UK's fourth largest home care provider, from Sovereign Capital Partners LLP.

This is the first investment made from Graphite's new £500 million fund, Graphite Capital Partners VIII, which closed in October.

C&C provides high quality home care assistance, primarily for the elderly. It also provides specialist care services for young people and adults with more complex or long term conditions such as learning disabilities, mental health needs and brain injuries. Operating from 64 branches across England, Wales and Northern Ireland, C&C's carers provide care to over 15,000 individuals a year, primarily on behalf of local authorities and the NHS, as well as to private clients.

Chief executive Craig Rushton and the senior management team, who are all re-investing a substantial part of their sale proceeds, have grown the business significantly since its creation in 2009, completing and integrating 15 acquisitions. Graphite and the C&C management team plan to expand the business through a combination of organic growth initiatives, strategic acquisitions and the development of specialist care services, in partnership with the NHS and local authorities across the UK.

Growth in the UK home care market is supported by attractive demographic and economic drivers. Rising demand for home care services is being driven by an ageing population and a preference for providing care in the community.

Craig Rushton commented: "Graphite brings a wealth of experience in the care sector and has been successful in backing and developing a series of best-in-class businesses. We are looking forward to working together to provide the elderly and less able with the highest quality home care services."

Mark Hall, Graphite partner, added: "C&C is a first class business run by a strong management team and provides a critical service. The care sector is one we know well and we believe that, with our help, C&C will capitalise on its excellent potential for growth, both organically and via strategic acquisitions."

Graphite has a successful long-term track record of investing in health and social care businesses. It has invested in a total of seven elderly care businesses through various stages of the economic cycle over the last 20 years. They all generated strong returns on exit, including Optimum Care and Willowbrook Healthcare which were sold earlier this year.

Mark Hall, investment director, Rachael Whittaker, and senior partner, Simon ffitch, managed the transaction for Graphite.

**Ends**