



PHC to Sell Pivotal Research Centers for \$4.5 Million Net Cash Proceeds

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PHC Signs Letter of Intent for Purchase of Clinical Unit by Major Research Organization

PEABODY, MA, Sep 24, 2008 (MARKET WIRE via COMTEX News Network) -- PHC, Inc. (AMEX: PHC) d.b.a. Pioneer Behavioral Health, a leading provider of inpatient and outpatient behavioral health services, has signed a letter of intent from a major clinical research organization for the purchase of Pioneer's Pivotal Research Centers.

The proposed terms comprise \$3.75 million in cash paid to Pioneer at closing, plus proceeds from receivables estimated at \$1.0 million. The net cash received from the transaction is expected to total approximately \$4.5 million after fees and expenses.

"The sale of Pivotal, which has represented less than 10 percent of our revenue over the last year, reflects our plan to focus more on our faster growing core business of delivering behavioral health care," said Pioneer's president and CEO, Bruce A. Shear. "We plan to use the funds from the sale to further the operations we have under development in key markets like Las Vegas and Detroit, as well as possibly take advantage of other expansion opportunities we have under consideration."

"We are also anticipating better visibility into our future revenue growth and profitability," continued Shear, "which we will address on our fourth quarter and fiscal 2008 earnings call tomorrow afternoon."

The company expects to close the transaction within the next 120 days.

About Pivotal Research Centers

Pivotal Research Centers is one of the largest and most successful clinical research organizations in the nation, operating through two sites in the Phoenix Metropolitan area (Sun City/Peoria and Mesa) and a third site near Salt Lake City. Pivotal has extensive experience in multiple therapeutic areas, with a focus in neurological, psychiatric, women's health, oncology and selected internal medicine indications. It has completed more than 600 research studies in over 45 indications, and has participated in the FDA approval of 64 medications currently on the market. For more information, go to www.pivotalresearch.com.

About Pioneer Behavioral Health

PHC, Inc. d.b.a. Pioneer Behavioral Health, is a national healthcare company providing behavioral health services in four states, including substance abuse treatment facilities in Utah and Virginia, and inpatient and outpatient psychiatric facilities in Michigan and Nevada. The company also offers internet and telephonic-based referral services that includes EAP and critical incident services. Contracted services with government agencies, national insurance companies, and major transportation and gaming companies covers more than 1 million individuals. Pioneer helps people gain and maintain physical, spiritual and emotional health through delivering the highest quality, most culturally responsive and compassionate behavioral health care programs and services. For more information, visit www.phc-inc.com.

Statement under the Private Securities Litigation Reform Act of 1995

This press release may include "forward-looking statements" that are subject to risks and uncertainties. Forward-looking statements include information about possible or assumed future results of the operations or the performance of the Company and its future plans and objectives. Various future events or factors may cause the actual results to vary materially from those expressed in any forward-looking statements made in this press release. For a discussion of these factors and risks, see the company's annual report on Form 10-K for the most recently ended fiscal year.

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