



PHC Signs Final Agreement for Sale of Pivotal to Premier Research

January 20, 2009

PEABODY, MA, Jan 20, 2009 (MARKET WIRE via COMTEX) -- PHC, Inc. (AMEX: PHC) d/b/a Pioneer Behavioral Health, a leading provider of inpatient and outpatient behavioral health services, announced Premier Research Arizona, LLC, a unit of Premier Research Group PLC, has signed a purchase agreement to acquire the assets of PHC's Pivotal Research Centers.

According to the agreement, a total consideration of \$4.75 million in net cash proceeds is comprised of \$3.0 million to be paid in cash to Pioneer by the outside closing target date of February 28, 2009, with additional payments totaling \$1.75 million that are contingent upon Pivotal achieving certain revenue targets.

All related transactions contemplated by the agreement are contingent upon typical commercial and legal conditions as well as the purchaser's ability to secure satisfactory financing and credit arrangements by February 28, 2009. A break-up fee will be payable to PHC if the transaction is not completed by the outside target closing date.

"The sale of Pivotal, which operations contributed less than 10 percent to our revenue in 2008, reflects our plan to focus on our faster growing core business of delivering behavioral health care," said Pioneer's president and CEO, Bruce A. Shear. "This segment of our business achieved record revenues in the last quarter."

"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," said Shear. "We also may use the funds to take advantage of other expansion opportunities we have under consideration, as well as address our current 1 million share open market stock repurchase program that extends until the end of June."

About Premier Research Arizona and Premier Research Group

Premier Research Arizona, LLC is a wholly-owned unit of Premier Research Group PLC, a privately-held contract research organization providing clinical trial management and information services to the pharmaceutical and biotechnology industries in Europe, Asia, Africa, Australia, Latin America, and North America. The company focuses its research and development program on enhancing software systems used to support its clinical trials management and information services. Its services include dedicated clinical sites, medical and safety management, medical writing, data management, biostatistics, interactive voice response systems, regulatory affairs, and quality assurance. The company conducts its clinical research in the areas of infectious diseases, oncology, pediatrics, analgesia, and central nervous disorders. Premier Research Group plc was founded in 2002 and is based in Crowthorne, the United Kingdom.

About PHC d/b/a Pioneer Behavioral Health

PHC, Inc., d/b/a Pioneer Behavioral Health, is a national healthcare company providing behavioral health services in five states, including substance abuse treatment facilities in Utah and Virginia, and inpatient and outpatient psychiatric facilities in Michigan, Pennsylvania, and Nevada. The company also offers internet and telephonic-based referral services that includes employee assistance programs and critical incident services. Contracted services with government agencies, national insurance companies, and major transportation and gaming companies cover more than one 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.

Company Contact:

Bruce A. Shear
President & CEO
PHC, Inc.
Tel: 978-536-2777

Investor Relations:

Cody Slach
Investor Relations
Liolios Group, Inc.
Tel: 949-574-3860

