



PHC, Inc. Stockholders Approve Merger Agreement With Acadia Healthcare Company, Inc.

October 26, 2011

PEABODY, Mass. and FRANKLIN, Tenn., Oct. 26, 2011 /PRNewswire via COMTEX/ --

PHC, Inc., d/b/a Pioneer Behavioral Health (NYSE Amex: PHC), a leading provider of inpatient and outpatient behavioral health services, announced today that at its Special Meeting of Stockholders held on October 26, 2011, its stockholders approved the Agreement and Plan of Merger, dated as of May 23, 2011, among PHC, Inc., Acadia Healthcare Company, Inc. and Acadia Merger Sub, LLC, a wholly-owned subsidiary of Acadia.

The Merger is expected to close on or about November 1, 2011, subject to the satisfaction of the other conditions precedent to the closing of the Merger.

Bruce A. Shear, President and Chief Executive Officer, commented as follows: "We are pleased with the overwhelming support of our stockholders for our proposed merger. 89% of the Class A shares that voted, cast votes in favor of this transaction which represents an extraordinary turnout and shows the strong support our stockholders have for this transaction and the Company."

Shear further noted that "this combination with the addition of the Acadia management team lead by its chairman, Joey Jacobs, provides the opportunity to grow significantly and further expand shareholder value."

About Acadia Healthcare Company

Acadia was founded by Waud Capital Partners, a leading middle-market private equity investment firm with approximately \$1 billion under management. Acadia operates a network of 19 behavioral health facilities with more than 1,700 beds in 13 states. Acadia provides premier psychiatric and chemical dependency services to its patients in a variety of settings, including inpatient psychiatric hospitals, residential treatment centers, outpatient clinics and therapeutic school-based programs.

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. PHC 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.

Risk Factors; Additional Information

This press release contains forward-looking statements. Generally words such as "may", "will", "should", "could", "anticipate", "expect", "intend", "estimate", "plan", "continue", and "believe" or the negative of or other variation on these and other similar expressions identify forward-looking statements. These forward-looking statements are made only as of the date of this press release. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements are based on current expectations and involve risks and uncertainties and our future results could differ significantly from those expressed or implied by our forward-looking statements. Such forward-looking statements include statements regarding the Merger. Factors that may cause actual results to differ materially include the risk that PHC and Acadia may not be able to complete the Merger, which is subject to customary closing conditions, risks that the businesses will not be integrated successfully, risks of disruption from the Merger and risks concerning the ability to borrow funds in amounts sufficient to enable the combined company to service its debt, and meet its working capital and capital expenditure requirements. These factors and others are more fully described in the Definitive Proxy Statement which PHC filed with the SEC on September 27, 2011. PHC mailed the Definitive Proxy Statement to PHC's stockholders of record as of the Record Date. PHC's Definitive Proxy Statement and other documents filed with the SEC are available on the SEC's web site at <http://www.sec.gov>.

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SOURCE PHC, Inc., d/b/a Pioneer Behavioral Health