



## Update on Radiology Acquisition

The Directors of Capitol Health Limited (Capitol) advise the market of the withdrawal of the resolution to approve the acquisition of the radiology operations of IM Medical Limited (IMI) by Capitol, at a general meeting of IMI shareholders held yesterday.

The resolution was withdrawn by IMI in order that associated resolutions and matters to strengthen the capital structure and future funding arrangements of IMI are finalised and to provide Capitol with confidence in the financial stability of the major shareholder of the significant parcel of Capitol shares that will be issued as consideration for the acquisition.

The radiology operations will continue to be managed by Capitol under a Management Agreement between IMI and Capitol whereby Capitol has been in effective day-to-day management from 28 March 2011 whilst the legal operating entity remains a part of IMI.

Under the terms of the Management Agreement control of the radiology operations will be returned to IMI in the event that the acquisition is not ultimately approved by IMI's shareholders.

The Management Agreement has been extended to allow time for the necessary arrangements to be made and resolutions put to the shareholders of IMI in an appropriate manner.

The Directors wish to thank all the IMI staff involved in the radiology operations for their continued patience and contribution over a necessarily difficult organisational period.

**Authorised by:**

**John Conidi**  
***Managing Director***

*17 August 2011*

For personal use only