

## ASX Announcement

### HALF- YEAR RESULTS

**Melbourne, Wednesday 29 February 2012:** The Directors of IM Medical Limited (the Company) are pleased to release the Company's Financial Report for the half-year to 31 December 2011.

#### Half-Year

- In the last six months the Company has made significant progress in restructuring and recapitalising its balance sheet. Approximately \$3.5 million has been raised by way of an entitlement issue and a share placement. This has allowed the Company to satisfy all creditors, and retain sufficient working capital to properly recapitalise the Company.
- The Company's shares were reinstated to trading on the ASX on 8 November 2011.
- In November shareholders approved the sale of the Company's Radiology business to Capitol Health Limited (ASX: CAJ). Yesterday Capitol Health reported that its net profit for the half year to 31 December 2011 had increased by 73% over the previous corresponding period to \$1.26 million and declared a maiden dividend of 0.2 cents per share. Shareholders are reminded of the Directors' intention to make an in-specie distribution of the 45.5million Capitol Health shares the Company expects to receive on completion of the sale of the Radiology business. IMI and Capitol are proceeding to fulfil the completion obligations required by both parties to the transaction. The completion of the sale of the Radiology business is anticipated prior to 31 March 2012 upon finalisation of certain third party consents.
- The Company has commenced the process of selling the Intelliheart business and expects to be able to complete a transaction before the end of the financial year.
- Looking forward, the Company has commenced investigating acquisitions and investment opportunities, these are expected to take the Company into the resources sector, and as previously announced, the Company is also investigating the appointment of suitably qualified Directors and Executives to lead this process.

Nigel Blaze  
Chairman  
IM Medical Limited

- **Key Results Summary**

		<b>% Change from PCP</b>		<b>\$</b>
(Loss) from continuing activities after income tax attributable to members	Down	20%	To	(\$620,932)
(Loss) from discontinued activities after income tax attributable to members	Down	79%	To	(\$388,510)
Net (loss) attributable to members	Down	62%	To	(\$1,009,442)

**Other information**

	<b>Current period</b>	<b>Previous corresponding</b>
Net tangible assets security	\$0.004 cents	\$0.001 cents

**Comment**

The net loss after tax for the period was \$1,009,442 compared to a loss of \$2,646,057 for the same period last year. The loss for the period included impairment charges of \$108,630 (2010: \$1,514,130).

The Group was successful in raising \$3,268,659 during the period, after payment of transaction costs, and now has sufficient working capital to pursue new opportunities. The Company's cash holding at the end of the period was \$1,211,043.

**ENDS**