

ASX ANNOUNCEMENT

16 December 2016

CAPITOL RECEIVES APPROVAL FOR FULL MRI LICENCE SWAP

The Board of Capitol Health Limited ("Capitol") (ASX: CAJ) is pleased to announce that the Department of Health has approved a swap between the current partial MRI licence at Imaging @ Olympic Park (located in central Melbourne) and Capital Radiology's significantly underutilized full MRI licence in Mildura for a period of at least 12 months.

The decision will drive significantly higher utilisation of the company's MRI facilities at Imaging @ Olympic Park, given the high concentration of specialist referrers in the area, and is expected to have a meaningful positive impact on revenue. The licence will provide greater patient access to bulk billed MRI services, and provide a sound base for expansion of Capital Radiology's offering into a comprehensive diagnostic imaging clinic, offering a broader range of services.

Following the swap, the Mildura community and surrounding areas will continue to enjoy MRI access levels that are among the best in Victoria, including continued access to the other fully licensed MRI in Mildura. The transfer of Capital Radiology's partial MRI licence to Mildura ensures that Capital Radiology will continue to accommodate the GP referrals that are the overwhelming majority of the MRI work currently performed in Mildura.

Managing Director Andrew Harrison stated: "We thank the Department for a balanced and evidence-based decision in these unique circumstances. This decision will ensure significantly more effective use of existing resources and will enable better MRI access for all Victorians."

For further information, please contact:

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Capitol Health is a leading provider of diagnostic imaging and related services to the Australian healthcare market. Headquartered in Melbourne, Victoria, the Company owns and operates clinics throughout Victoria and New South Wales. The Company's operational focus is on delivering a community-based infrastructure for radiologists and related medical practitioners to deliver optimal, efficient, accurate healthcare service outcomes for patients.