

ASX ANNOUNCEMENT

19 July 2017

UPDATE ON SALE OF NSW ASSETS

As announced to the market on 14 June 2017, Capitol Health Limited (**Capitol** or the **Company**) (ASX: CAJ) has agreed to sell its NSW radiology assets to I-MED Radiology Network (**I-MED**) for a total consideration of \$81.5m (less \$1.2m cash adjustment for employee entitlements).

The transaction was subject to Foreign Investment Review Board (**FIRB**) approval, which Capitol is pleased to confirm has now been received. Final completion of the transaction remains subject to customary third party consents.

The transaction is progressing as anticipated and the parties continue to expect the transaction is likely to complete on or around 31 August 2017.

For further information, please contact:

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About Capitol Health

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. 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.

Capitol also has an investment in diagnostic imaging artificial intelligence through Enlitic Inc in the US and a collaboration agreement with Enlitic regarding revenue share from the sale of Enlitic's Deep Learning Services in the radiology field in China.

Capitol also recently entered the Chinese diagnostic imaging market through a Joint Venture with CITIC Pharmaceutical (Shenzhen) Co., Ltd ("CITIC Pharmaceutical") and Xiamen Zhouxin Medical Image Co., Ltd (Zhouxin) to provide consulting and clinic management services to a network of independent imaging clinics to be created by CITIC and Zhouxin across mainland China.