

ASX ANNOUNCEMENT

27 July 2015

Growth continues for Capitol Health

Underlying profit up 58% based on preliminary financial accounts; Dividend Uplift of 30%

- **Revenue of \$111.2 million (up 23% on FY 2014)**
- **Underlying Net Profit Before Tax (NPBT) before acquisition & restructuring costs up 58% to \$16.1million (from \$10.2million in FY 2014)**
- **Underlying NPBT Margin increase to 14.6% (from 11.3% in FY 2014)**
- **Significant one-off acquisition costs (stamp duty, transaction costs) of \$7.9million and restructuring costs of \$0.4million**
- **Reported NPBT (after acquisition & restructuring costs) \$7.8million**
- **Dividend uplift to 0.65 cents, up 30% on Final Dividend FY 2014**

The Directors of Capitol Health Limited ("Capitol" or "Company", ASX: CAJ) are pleased to provide guidance for the financial year ending 30 June 2015. This guidance is based on preliminary financial accounts. The financial audit has commenced and final results will be released to the market following completion of the audit.

Preliminary results overview

Capitol has continued revenue and profit margin growth with another underlying record financial result for the year ended 30 June 2015. Revenue for FY 2015 increased to \$111.2 million (up 23% on FY 2014) driven by a combination of above system organic growth (8%) and from acquisitions completed in the period.

Whilst the underlying results show continued growth in revenue and profit, the significant acquisition and restructuring expenses of \$8.4 million contained within accounts for FY 2015 has naturally had a significant impact on the before tax basis reported result. This is largely driven by stamp duty and other transaction costs.

Net Profit Before Tax (NPBT) for FY 2015 based on the preliminary result is \$7.8 million.

However, allowing for the acquisition and restructuring expenses, the normalised (underlying) NPBT figure rises to \$16.1 million, representing an increase of 58% on FY 2014.

Dividend

The Directors have declared a fully franked Final Dividend of 0.65 cents (point six five of one cent) per share, an increase of 30% on the Final Dividend for FY 2014 and an increase of 8% on the Interim Dividend for the first half of FY 2015. The increase reflects the Directors' sustained confidence in the Company's financial strength and operating outlook. The Record Date for the Final Dividend will be 25 September 2015 and the Payment Date will be 23 October 2015.

Dividend Reinvestment Plan ("DRP")

Shareholders will be offered the ability to participate in the DRP (approved 20 December 2011), where their dividend can be converted into additional ordinary shares at a formula-driven Dividend Reinvestment Price ("Price"). There is no discount to the Price offered for this Final Dividend. The last date for receipt of election to participate in the DRP for the Final Dividend is 9 October 2015.

Managing Director, Mr John Conidi commented:

"Capitol has maintained its strong revenue and profit growth over the past twelve months. The transformative nature of the acquisitions we made in FY 2015 will drive earnings in FY 2016 and beyond. The Company is actively seeking opportunities for further growth as the diagnostic imaging market continues to consolidate.

Notes:

(1): Figures included in this Release are based on unaudited results however the Directors are unaware of any material item(s) that should cause any major adjustments to these figures.

(2): Details on the operation of the DRP are available on the Company's web site:

www.capitolhealth.com.au

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Capitol Health Limited (ASX: CAJ) is an Australian public company providing medical diagnostic imaging (DI) services. It is the largest community based (non-hospital) DI provider within Victoria, has recently extended its operations into New South Wales and is the only ASX-listed company operating exclusively in DI. The Company's objective is to build a leading primary healthcare business across Australia generating sustainable growth and profitability for shareholders whilst delivering a superior patient experience.