

ASX ANNOUNCEMENT

28 April 2016

CAPITOL HEALTH SUCCESSFULLY CLOSES \$50 MILLION UNSECURED NOTE OFFERING & FINANCING UPDATE

SUCCESSFUL CLOSE OF \$50 MILLION NOTE OFFERING

Further to the announcement on 21 April 2016, Capitol Health Limited (ASX:CAJ) ("Capitol Health" or the "Company") is pleased to announce that it has successfully closed its offering of A\$50 million of unsecured 4-year notes ("Notes") at a fixed coupon of 8.25% per annum maturing on 10 May 2020. The notes will be issued by Capitol Treasury Pty Limited ("Capitol Treasury"), a wholly owned subsidiary of Capitol Health.

The transaction settles on 10 May 2016 and under the Subscription Agreement is subject to a number of usual commercial conditions and while the Capitol group will now proceed to satisfy those conditions, Capitol Health does not intend to make a further announcement on settlement unless there is a material change.

A copy of the Information Memorandum and Pricing Supplement follow this announcement. The offer was only open to eligible professional and sophisticated investors in accordance with Part 6D.2 of the *Corporations Act 2001* (Cth).

Capitol Health Managing Director John Conidi said, "We continue to have a very strong relationship with our senior lender National Australia Bank, but the note issue demonstrates our diligent approach to capital management and determination to diversify our funding sources."

The sole lead arranger for the Notes transaction was National Australia Bank Limited, with FIIG Securities Limited appointed as a Co-Manager on the transaction.

FINANCING UPDATE

As previously released, the net proceeds of the issue of the Notes will be utilised to pay down indebtedness owing under the banking facility agreement.

The Board is pleased to advise the market that Capitol Health's principal lender, National Australia Bank Limited, has approved a variation of the banking facility agreement reducing the cash advance facility limit (subject to the issue of the Notes) to \$75.0m of which there will be approximately \$45m of net drawings at close. The group currently has cash at bank of approximately \$10m.

Under the amended banking facility agreement, the financial covenants are:

- a) the Interest Cover Ratio must be greater than or equal to 2.5 times; and
- b) the Net Leverage Ratio, which is the ratio of net secured debt to EBITDA, must be less than or equal to 2.5 times (this ratio excludes the Notes).

For more 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 approximately 70 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.