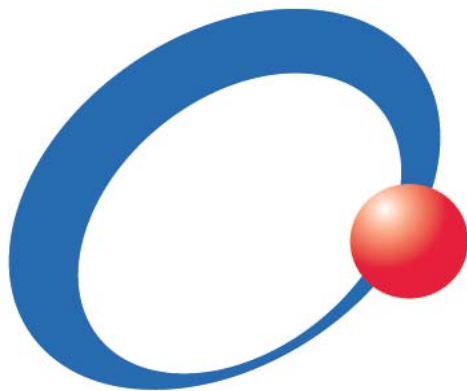


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CAPITOL HEALTH
LIMITED

INVESTOR PRESENTATION



OCTOBER 2009

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Established Radiology Specialist

- Capitol has achieved rapid growth to become a leading specialist Victorian Radiology (Diagnostic Imaging or DI) provider in a short period
- Performance to date has met guidance with rapid revenue growth

Building blocks in place for Future growth

- 10% Medicare Rebate increase to Capitol will commence 1 November 2009
- Significant expenditure already recognised for Technical Transformation Program (TTP)
 - Successful technology rollout underway
- Benefits of TTP to flow in 2nd Half 2009/10
- YTD results are running ahead of Market Forecast before TTP benefits & Medicare Rebate uplift

Capitol – a Snapshot



- Established 2006
- Commenced as an Operator of Dental practices
- Entered Radiology in 2007, exited Dental activities
- Has achieved substantial growth in Diagnostic Imaging by
 - acquisition: Radiology Group, Bell, SEMI and
 - organic means: establishing 4 new clinics
- Capitol now has 19 Clinics / 200 employees
- Estimated to be 3rd largest Diagnostic Imaging provider in Victoria
- Capitol is a Bulk-Biller, providing a strong Market Advantage and a Competitor Disadvantage
- Major Technical upgrade is in the final phases of implementation providing substantial cost and service quality benefits

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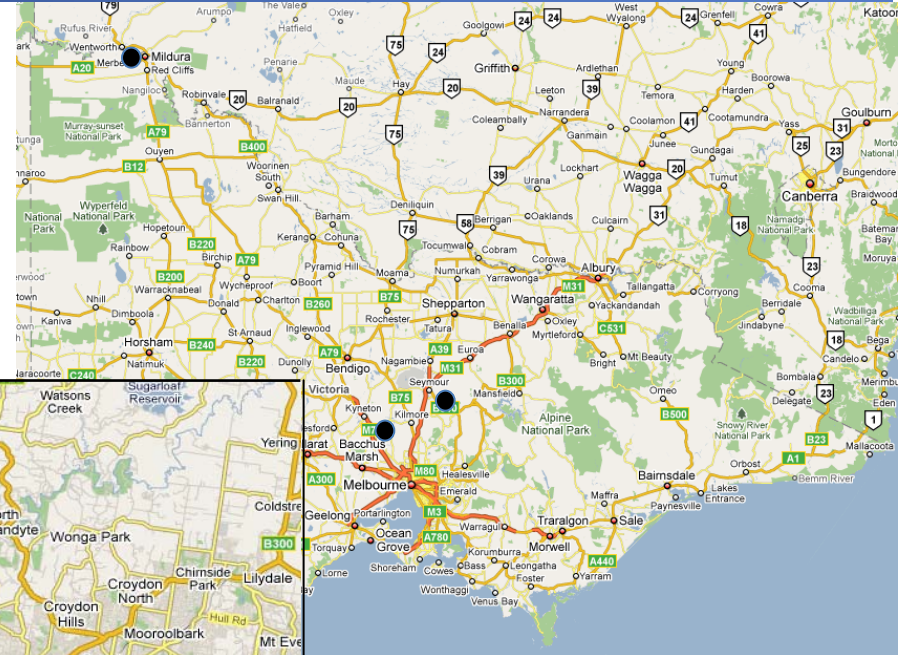
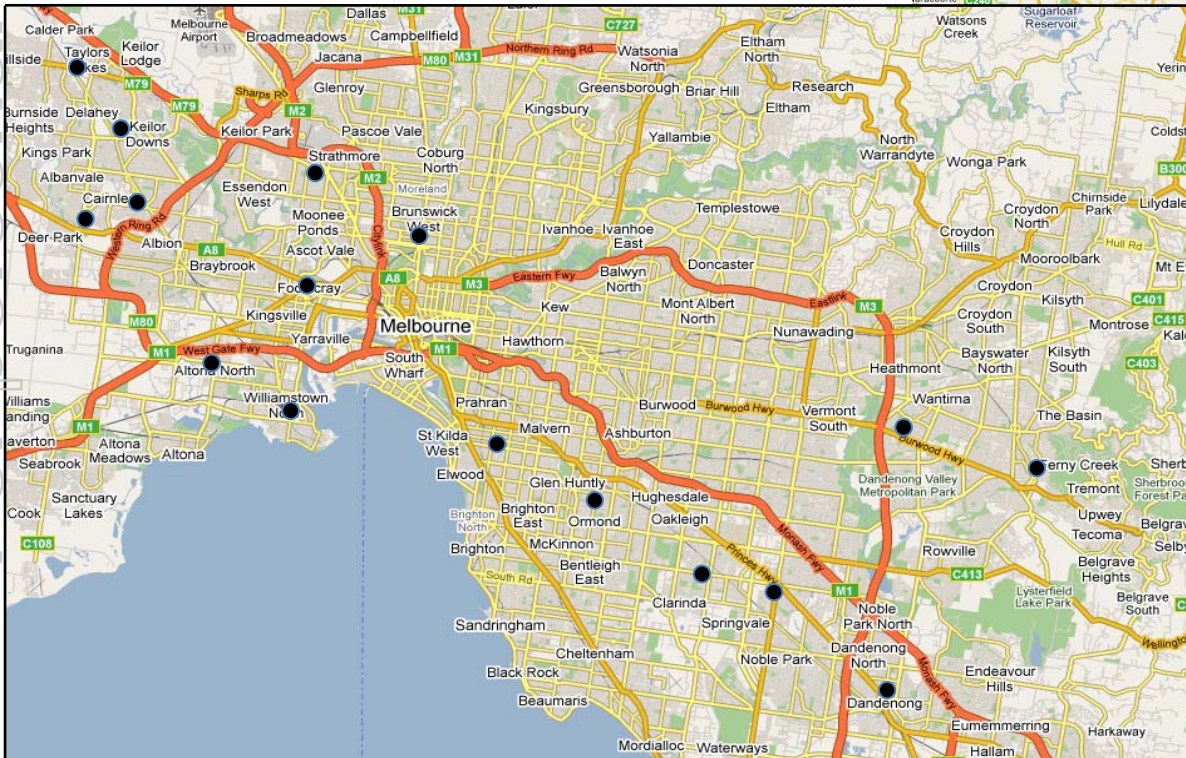
Regional Radiology Coverage



Capital

RADIOLOGY

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Rebranding is in progress from 8 different brands and 2 sub-brands

Business Model



- Specialist Diagnostic Imaging provider
- TTP is driving a comprehensive transformation from independent “silo” operations to distributed information network
- Image reporting by Radiologists will become independent of location
 - digital “filmless” reporting
- A permanent Patient image Data Bank will consolidate ongoing links between the Referrer, the Patient and Capitol
- New infrastructure will allow both organic and acquisitive growth of wholly owned facilities and growth in revenue through provision of reporting services to other parties

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Market Dynamics



Sector

- Health sector expected to overtake Retail as largest in economy
- Market shake-out of competitors in Diagnostic Imaging provides opportunities

Medicare

- 85% rebate increasing to 95% from 1 November 2009
- Government pressure to move to co-payments – potential upside for Capitol

Growth Factors

- Ageing population – demand will not diminish
- Liability issues – demand for specialised services will increase

- Positive growth in Revenue above Budget and
 - before Medicare Rebate increase
- Staff retention rates are high in supply-driven environment
- Dominance in certain regional areas such as Melbourne's western suburbs
- Organic growth clinics are expanding within competitive local markets
- TTP will allow centralised management of operations
- Upside from consolidation of suppliers and staff efficiencies
- Conversion of 8 brands and 2 sub-brands into unified single market presence over time

Technology Transformation



- Fibre Optic network with one carrier linking all clinics replacing 5 ISP's and mixture of ADSL & wireless links
- Centralised Data Centre replacing 4 data hubs
- Single Practice Management software (RIS) replacing 3 current applications
- State of the art digital imaging application (PACS) introduced
- All imaging equipment upgraded to be compatible with PACS
- All infrastructure hardware replaced
- All new back-office software applications
- 16 major issues – 26 major programs complete or nearing completion

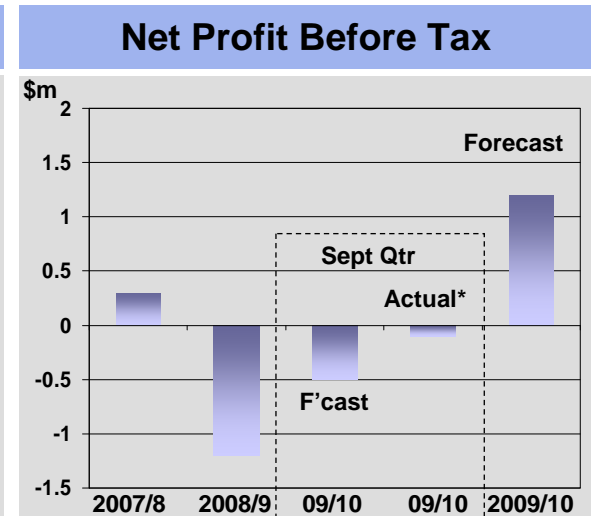
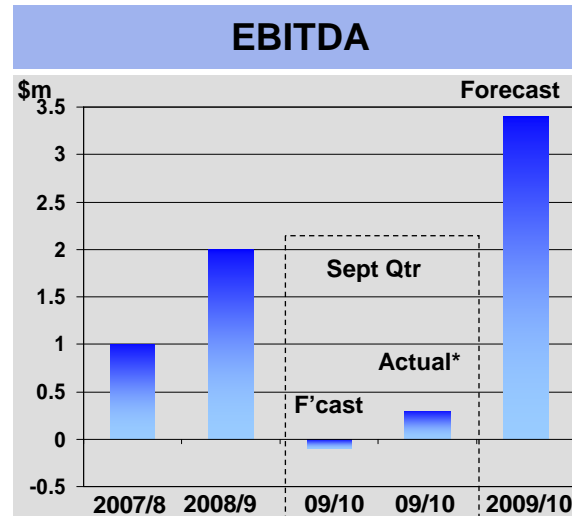
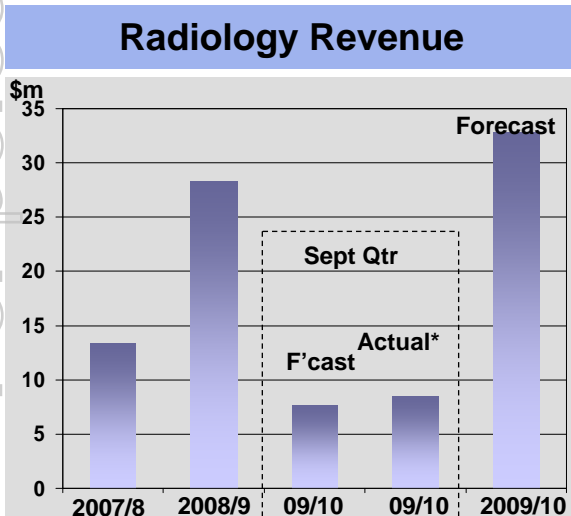
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Financial Performance



- Profitability has been constrained by practice amalgamation processes and technology rollout
- TTP technology spend will be largely complete by Dec Quarter 09/10
- Revenue and Profit guidance for full year 2009/10 are maintained
- September Quarter 09/10 unaudited results are ahead of guidance
 - Actual Sales are 12% higher than Forecast
 - EBITDA is positive \$300k (Forecast negative)
 - NPBT \$300k higher than Forecast

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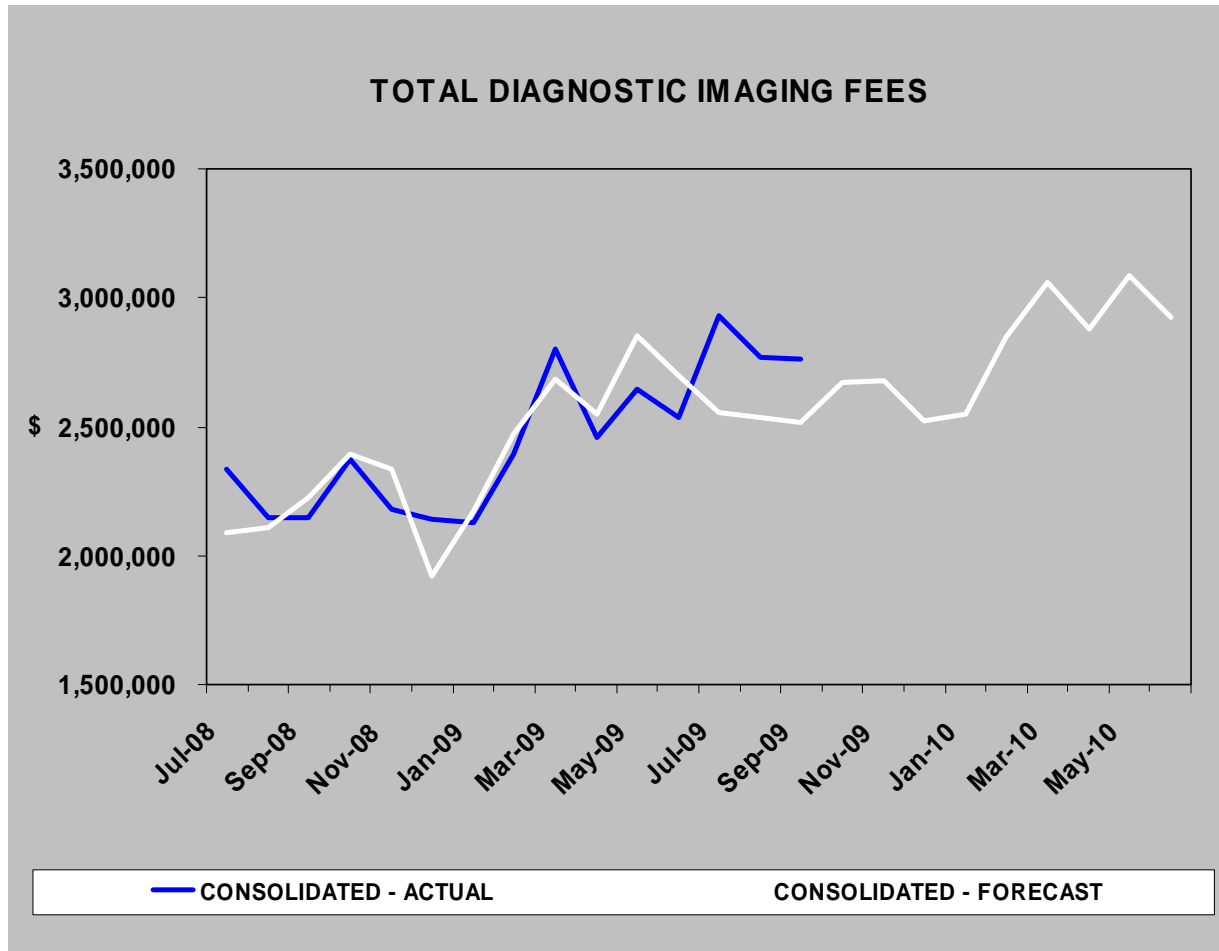


* Unaudited

Diagnostic Imaging Fees



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Board of Directors



- **John Conidi**
Managing Director – Melbourne based
 - Mr Conidi has over 7 years of experience in developing, acquiring and managing businesses in the healthcare industry with a focus on diagnostic imaging. Mr Conidi's role in strategy, management and business development has driven the rapid expansion of the group.
- **Dominik Kucera**
Executive Director & CFO – Melbourne based
 - Mr Kucera has held senior finance roles in a number of private, joint venture and public companies. He was Chief Financial Officer for Sirius Telecommunications Ltd from its initial listing in 2000 to 2005. Previous employers include ICI Australia Ltd (now Orica), Brambles, and Ticketmaster.
- **Steven Sewell**
Independent Non Executive Director – Sydney based
 - Mr Sewell is a Division Director of the Real Estate Consolidated entity of Macquarie Bank Limited and is the CEO of the Macquarie CountryWide Trust, with overall responsibility for the Trust's business operations and investment strategy.
- **Andrew Harrison**
Non Executive Director – Perth based
 - Mr Harrison has significant experience in both senior management and board positions in publicly listed companies. Previously he has worked as a management consultant for such clients as Chubb Australasia and has been CEO of a Melbourne based marketing consultancy.

Largest Shareholders



The 20 largest shareholders as at 30 September 2008:

	No. Of Shares	%
1. Peter Hunt & Jeanette Hunt <Hunt Super Fund A/C>	31,949,072	11.48
2. Monaco Bond Pty Ltd <Mobilio Family A/C>	25,408,656	9.13
3. Idinoc Pty Ltd <J & R Conidi Family A/C>	24,054,672	8.64
4. Nick Conidi Pty Ltd <Conidi Family A/C>	21,309,232	7.65
5. Gia Chau Pty Ltd	17,734,752	6.37
6. Ms Stella Ha	17,734,752	6.37
7. Harry Kaplan Pty Ltd <H & C Kaplan Family A/C>	17,157,600	6.16
8. Relentless Corporation Pty Ltd <Sun Tzu A/C>	13,400,000	4.81
9. Yarra Braes Pty Ltd <Yarra Braes A/C>	7,109,280	2.55
10. Mr Wayne David McGregor	5,769,231	2.07
11. Mr John Richard Sauvey	5,769,231	2.07
12. Mr Russell Jonathon & Ms Jessica Rachel Fine <RJ Fine Services>	4,780,081	1.72
13. Mr Jo Upton <Coup Discretionary A/C>	4,500,000	1.62
14. Worldwide Pty Ltd	4,500,000	1.62
15. Fine Superannuation Fund Pty Ltd <Fine Super Fund A/C>	3,789,919	1.36
16. Liew Serng Yee	2,731,409	0.98
17. Goay Choo Lim	2,300,000	0.83
18. Colbern Fiduciary Nominees Pty Ltd	2,272,222	0.82
19. Monteleone Melbourne Pty Ltd	2,254,560	0.81
20. Two Tops Pty Ltd	<u>2,222,222</u>	<u>0.80</u>
	216,746,891	77.86

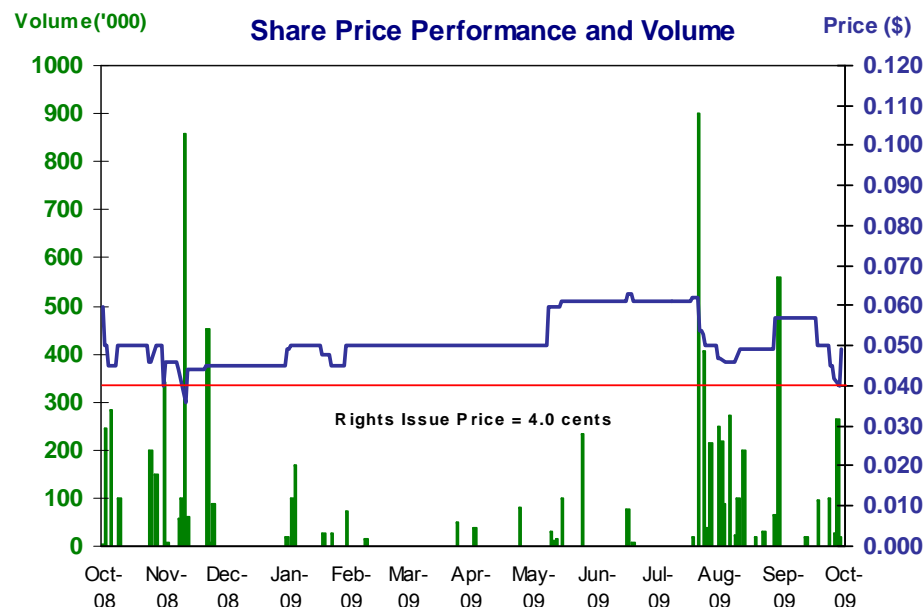
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Rights Issue



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- Capitol Health is looking to top up its working capital by way of an underwritten 1 for 11 Renounceable Rights Issue at a price of 4.0¢ per share to raise circa \$1.0 million.
- For every one (1) shares allotted, Capitol Health will grant one (1) option exercisable at 5.0 cents and expiring on 30 April 2012.
- Offer price of 4.0 cents represents:
 - Discount to last close of 4.9¢: 18.4%
 - Discount to 30 day VWAP: 21.6%
 Excluding value of attached Option



Capital Structure	Shares	Listed Options	Gross Amount Raised
Existing Shares	278,416,241	-	-
Rights Issue 1:11	25,310,567	25,310,567	\$1,012,423
Total	303,726,808	25,310,567	\$1,012,423

Use of Funds



Use of Funds	\$ million
Complete Technology Transformation Program	\$0.30
General Working Capital	\$0.28
To support growth opportunities	\$0.30
Transaction Costs	\$0.13
Amount Raised	\$1.01 million

Funds raised from the Offer will be applied as follows:

- Technology Transformation Program
 - now in full roll-out mode
 - one clinic per week being converted to the new systems
 - funds will be held as a contingency for any unforeseen issues due to the scale of the project
- Working Capital
 - to cover normal working capital requirements as the company grows the scale of its activities
- Growth
 - to allow for small scale opportunistic growth, through either expanded service offerings or by acquisition

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Summary



- \$1 million Rights Issue will support the final phase of Capitol's Technology Transfer program
- Capitol has emerged as a Diagnostic Imaging specialist with ongoing growth supported by a state of the art technology backbone
- Performance is on track to meet Company guidance for profitability in the 09/10 year with Q1 revenues ahead of forecast
- Revenue growth will be boosted by the increase in Medicare rebates from 1 November 2009
- Further efficiencies are expected from integration with rationalisation of overheads, technology rollout and streamlined operating process
- Future growth opportunities expected to arise from both
 - Development of new Diagnostic Imaging practices
 - Acquisition opportunities through ongoing consolidation of the Radiology sector
 - Expansion into a franchise model in selected areas

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