



TRADING UPDATE – FIRST HALF FY 09/10

ASX ANNOUNCEMENT

20 JANUARY 2010

The Directors of Capitol Health Limited (**Capitol**) are pleased to advise that operational results for the first half 09/10 are ahead of market guidance provided by the company.

Operating revenue (unaudited) from diagnostic imaging and related activities for the first half 09/10 by comparison to first half 08/09 is as follows;

	<u>First half 09/10</u>	<u>First half 08/09</u>	<u>% increase</u>
Revenue	\$16.8 million	\$13.4 million	25%

During the six months to 31 December 2009 Capitol opened a new diagnostic imaging site in Wantirna, placed holding rental deposits for expansion at two new clinic sites and enlarged premises at a major existing clinic to cater for new imaging capabilities, installed a state-of-the-art wide-bore MRI at the Footscray site and entered into remote tele-radiology diagnostic agreements with a further 3 externally owned operations.

The expansion of the tele-radiology services are a direct and early result of the Technology Transformation Program (TTP). The results have also been enhanced by the increase in Medicare rebates for diagnostic imaging that came into effect in November 2009.

The TTP is progressing in line with the planned roll-out, with all but one site now migrated to the unified Practice Management and Digital Imaging applications. All sites are now linked to a common fibre-optic data network. Installation of unified back-office applications and trials of an enterprise grade VOIP telecommunications system utilizing the fibre-optic network will commence shortly.

Capitol expects to release its first half results, following audit review, in mid February.

Authorised by:

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