



CAPITOL IPO CLOSES EARLY - OVERSUBSCRIBED

MEDIA RELEASE

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Perth-based Capitol Health Limited says its \$1.8 million Initial Public Offer (IPO) has closed early after subscriptions easily exceeded A\$1.8 million. The company is expected to list on the ASX on Friday 9 June 2006, ahead of its original mid June timing.

The Company offered 9 million ordinary shares at an issue price of 20 cents each to raise \$1.8 million with the Offer fully underwritten by Marketech Pty Ltd.

Capitol will now list on Friday with 56.1 million shares on issue with a total market capitalisation at listing of over \$11 million.

"This is an outstanding start to our vision of bringing to the national dental sector, the benefits of consolidation already available to other medical and allied health practitioners," Capitol Health's Managing Director, Mr Andrew Harrison, said today.

"The ready market support for our business model sends a strong signal to both dental practitioners and equities markets that there is considerable opportunity for value-adding in the sector through innovation," Mr Harrison said.

Australia's dental healthcare bill accounts for around \$2.4 billion in transactions each year.

Under the Capitol Health plan, the Company will acquire profitable surgeries and facilities around Australia to allow dentists to continue practising, with Capitol Health providing administrative and management support.

Capitol will continue to operate acquired surgeries under their existing banner rather than imposing a common national brand and pay particular attention to building on local patient loyalties already established by the vendor dentist.

The Company has already acquired two surgeries – at Booragoon in Perth and at Fremantle – and is considering other acquisitions.

"The two practices generated revenue of over \$1.6 million for the year ended 30 June 2005 so we will be cashflow positive at an operational level from our first day on the ASX," Mr Harrison said.

Acquisitions of surgeries will be financed on a 60-70% debt basis, and initial service and facilities contracts with dentists will be for 2-5 year terms.

MEDIA CONTACTS:

Andrew Harrison
Capitol Health Limited
Managing Director
T: (61-8) 9382 1311
M: 0415 324 359

Kevin Skinner
Field Public Relations
T: (61-8) 8234 9555
M: 0414 822 631

ACN 117 391 812

Level 1, 189 Hay Street, Subiaco WA 6008

PO Box 8210, Subiaco East WA 6008

T: (61-8) 9382 1311

F: (61-8) 9382 1322