ASX Release
2 December 2011

IM Medical Limited

Update on sale of Radiology Business

IM Medical Limited (ASX: IMI) received approval from shareholders on 23 November 2011 for the sale of its radiology business to Capitol Health Limited ("Capitol", ASX: CAJ).

IMI and Capitol are proceeding to fulfil the completion obligations required by both parties to the transaction. The parties had expected to fulfil these obligations by 30 November 2011, however several completion requirements including the assignment of certain equipment and premises leases that involve third parties are still outstanding.

Both IMI and Capitol are working towards completion at the earliest opportunity, and expect to make an announcement of an revised completion date shortly. This announcement will also include an amended timetable for the proposed in specie distribution of shares in Capitol that will be received by IMI on completion of the sale.

- Ends -

For further information, please contact the Company Secretary on (03) 9860-0904.

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