

ASX Release
5 December 2011

IM Medical Limited

Radiology Business Sale Update

IM Medical Limited (ASX: IMI, IMIO) announced on Friday 2 December that several requirements are outstanding in relation to completion of the sale of its radiology business to Capitol Health Limited ("Capitol", ASX: CAJ, CAJO).

The Company requested a trading halt on Friday 2 December to avoid an incorrect basis of quotation occurring as the Company's shares had been quoted as ('ex entitlement') to the in specie distribution of Capitol shares on the original completion timetable.

As a result, the ASX Group will purge active orders due to the Company's securities no longer trading on an ex-entitlement basis.

IMI and Capitol are continuing to work towards fulfilling the completion requirements for the transaction at the earliest opportunity, and expect to make an announcement of a revised completion date shortly.

The 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 0412 376 897.

Richard Wadley
Company Secretary