

12 December 2017

Dear Shareholders,

### **Takeover offer received from Capitol Health**

I am writing to update you on the unsolicited notice of intention to make a takeover offer received by Integral Diagnostics Limited (ASX: IDX) (“Integral Diagnostics”) from Capitol Health Limited (ASX: CAJ) (“Capitol Health”).

As you are aware, Capitol has informed the ASX that it intends to offer Integral shareholders 6.9 fully paid ordinary shares in Capitol Health and \$0.36 cash for each ordinary voting share they own in Integral Diagnostics (“Takeover Proposal”).

On 29<sup>th</sup> November 2017, the Directors advised you to **take no action**. We reiterate this advice.

The Board has appointed Credit Suisse and Herbert Smith Freehills as financial and legal advisers to assist the Board in assessing and responding to the Takeover Proposal.

### **What will happen next?**

The Board and management will thoroughly review the terms of the Takeover Proposal, respond to Capitol Health and provide advice to you in due course.

Capitol Health has until 29<sup>th</sup> January 2018 to send you a Bidder’s Statement, although they may send this document before this date. The Bidder’s Statement will outline why Capitol Health thinks you should accept the offer, the details of the offer and information on Capitol Health and its intentions for Integral Diagnostics.

The Board will provide you with a Target’s Statement no later than 15 days after you receive the Bidder’s Statement. The Target’s Statement will contain the Board’s recommendation and its rationale, an outline of shareholder options and other important information. It will also include an opinion from an independent expert as to whether the offer is fair and reasonable to Integral Diagnostics’ shareholders.

### **What should I do?**

You should not respond to the Bidder’s Statement or sign any documentation until you have received the Target’s Statement from the Board. You should then consider the Board’s

recommendation and the opinion of the independent expert in relation to the Takeover Proposal before responding to Capitol Health.

The Board and I are working closely with our advisers on evaluating the merits of the Takeover Proposal.

Yours sincerely,

Helen Kurincic  
Independent Chairman  
Integral Diagnostics Limited

