

HARBERT ACQUIRES SUBSTANTIAL MAJORITY STAKE IN CARDIOSCAN**Summary:**

- Harbert acquires substantial majority stake in Cardioscan
- Existing management team retaining a minority interest while continuing to drive the business

6 December 2012 - Harbert Australia Private Equity ("Harbert"), the private equity firm targeting lower-middle market investments, today announces the acquisition of a substantial majority interest in Cardioscan Services Pty Ltd ("Cardioscan"), a provider of cardiac testing services to large Australian pathology and hospital groups.

Cardioscan was established in 1984 and is Australia's oldest continuously operating cardiovascular and respiratory monitoring service provider. The company provides cardiac testing equipment (mainly ECGs, Holters and Ambulatory Blood Pressure Monitors) and monitoring services to large Australian pathology lab and hospital networks, analysing cardiac data using its own team of specialised cardiac technicians and cardiologists, and returns test results to clients within 2-4 hours.

Cardioscan intends to use Harbert's experience and financial capacity to bolster its operational capabilities, expand its management team, and better position the company to execute a number of newly won contracts in addition to continuing to meet its service levels for key customers. Harbert will also support the company's aspirations for medium term expansion which include a multitude of identified growth opportunities in its target market and adjacent areas.

The existing management team will remain in place with Paul Kelly as CEO and Merredea Hudgson as General Manager. In the past few weeks a number of experienced industry professionals have been recruited to strengthen the management team and ensure the group is appropriately positioned to meet the planned growth. Commenting on the transaction Paul Kelly, Cardioscan CEO:

"We are thrilled to have secured Harbert as a partner in Cardioscan. Harbert brings a depth of experience in working with businesses such as ours and providing access to capital at a time when many small businesses are highly capital constrained. Harbert shares our vision for the future of the business and we are very excited about working together to achieve this growth and strengthening Cardioscan's position as the preeminent provider of cardiac testing services to the Australian market."

Jeremy Steele, Managing Director of Harbert Australia Private Equity said:

"We are delighted to have the opportunity to be part of the Cardioscan growth story and to be able to invest additional capital and resources to support its continued growth. The company has an exceptionally competent management team who have the necessary experience and skillsets to turn Cardioscan's growth ambitions into reality. We look forward to working with management to ensure the

company is well positioned to capitalise on the exciting opportunities presented by new and existing customers and also expected market developments in general.”

“The medium term outlook for the Australian cardiac testing market is highly favourable with a number of key demographic trends – such as Australia’s ageing population, the rising incidence of cardiovascular disease (“CVD”), and also diabetes and obesity – combining to underpin the growth prospects of this sector. Cardioscan has a major role to play in the fight against CVD in this country and in reducing its enormous burden on the Australian economy. In addition, Cardioscan has secured the exclusive Australasian distribution rights for a revolutionary new cardiac monitoring device which will broaden the spectrum of devices with which to combat CVD and increase the rates of detection of difficult arrhythmias.”

Harbert continues to focus on investment in Australian companies within the lower-middle market (i.e. valued between A\$10 million and A\$100 million). This market is usually characterised by companies that are not used to dealing with professional investors, have no large scale finance, strategic planning or legal teams and are more reliant on existing management teams’ ongoing commitment and focus on the business. This investment will be the third investment in Harbert Australian Private Equity Fund II (which will commence fundraising in early 2013).

Advisers to the transaction were M&A Partners and Clarendon Lawyers (Cardioscan), and Middletons and PricewaterhouseCoopers (Harbert).

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CONTACTS:***Harbert***

Jeremy Steele
Harbert Australia Private Equity
Senior Managing Director
Ph: (03) 8660 7102
Email: jsteele@harbert.net

Cardioscan

Paul Kelly
Cardioscan
CEO
Ph: (03) 9832 2222
Email: paulk@cardioscan.com.au

NOTES TO EDITORS:**About Cardioscan**

Established in 1984, Cardioscan is Australia's oldest cardiovascular and respiratory monitoring service provider. It supplies cardiac testing equipment (mainly ECGs, Holters and Blood Pressure Monitors) and monitoring services to large pathology and private hospital networks in Australia.

About Harbert

Harbert Australia Private Equity ("Harbert") is a sponsored affiliate of the well established Harbert Management Corporation ("HMC"), an independent diversified alternative asset business based in the US with assets under management of US\$2.9bn. Harbert launched its first Australian based private equity fund in late 2008. Harbert is focused on investment in Australian companies within the lower-middle market, targeting companies with a total enterprise value in the A\$10 million to A\$100 million range, with a particular emphasis on companies with a total enterprise value in the A\$20 million to A\$50 million range.

Harbert is led by Senior Managing Director Jeremy Steele, with headquarters based in Melbourne. Jeremy was previously head of private equity at ANZ. Other investments include Aēsop, a body, skin and hair care beauty products company; Sumo Visual Group, a leading player in the Merchandising Signage Solutions market; Techdrill Civil & Mining Services, a diversified mining and infrastructure services group; and FastTrack, a provider of integrated software solutions to the Australian and Nordic labour hire industries. More information is available at www.harbert.net/australian-private-equity.