

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

31 July 2012

Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam,

Re: Appendix 4C - Quarterly Report

Please refer to the 'Appendix 4C' attached for details for the period ended 30 June 2012 for the Group.

During the quarter the Company completed a Rights Issue which added an additional \$2.3M in cash into the Company.

The overall cash consumption for the quarter was \$1,865,000 which included further investment into Coridon of \$1,000,000 to increase Allied Healthcare Group's overall holding to 44.4%. The Company had a cash balance of \$2M at the end of quarter with access to an additional \$3M equity facility which would provide more than 18 months working capital. In this time the Company is expecting to achieve the initial approval of CardioCel® in at least one jurisdiction.

During the past quarter the company also lodged its CE mark for European marketing approval for its initial tissue product CardioCel®, based around the ADAPT® Tissue Engineering Technology (TEP). Allied Healthcare Group is hopeful of generating revenue from CardioCel® this coming financial year. The company is also expecting to file its 510K application with the FDA in the USA later this year.

Over the quarter the Company has had a number of ASX and press releases supporting the progress being made within the Allied Healthcare Group, which can be viewed on the Company's website www.alliedhealthcaregroup.com.au.

Allied Healthcare Group anticipates the 2012/13 financial year will be an exciting one with the pending Phase I study with the HSV-2 DNA vaccine trial and the approval of CardioCel® in at least one jurisdiction; with strong ongoing sales from the infusion and cardiac product franchise.

Yours sincerely



Stephen Mann
Company Secretary

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Allied Healthcare Group Limited

ABN

36 088 221 078

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from customers	1,910	6,754
1.2	Payments for		
	(a) staff costs	(935)	(2,874)
	(b) advertising and marketing	(14)	(85)
	(c) research and development	(175)	(426)
	(d) leased assets	-	-
	(e) other working capital	(1,643)	(6,944)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	8	25
1.5	Interest and other costs of finance paid	(1)	(20)
1.6	Income taxes paid	-	-
1.7	Other – R&D Tax Concession	-	-
Net operating cash flows		(850)	(3,570)

		Current quarter \$A'000	Year to date (12 months) \$A'000
1.8	Net operating cash flows (carried forward)	(850)	(3,570)
1.9	Cash flows related to investing activities		
	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	(1,000)	(2,370)
	(c) intellectual property	-	-
	(d) physical non-current assets	(15)	(22)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	(1,015)	(2,392)
1.14	Total operating and investing cash flows	(1,865)	(5,962)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	2,066	6,441
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other / Transactions with Non-controlling interests	233	233
	Net financing cash flows	2,299	6,674
	Net increase (decrease) in cash held	434	712
1.21	Cash at beginning of quarter/year to date	1,630	1,352
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	2,064	2,064

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	75
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Consultancy services \$75k	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	2,953	-

The Company holds an overdraft facility of \$500,000 which is completely unused at the end of the current quarter. The Company currently holds a US\$3 million standby equity distribution facility with Kodiak Capital Group LLC, which the Company can draw down in US\$500,000 tranches.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	2,064	1,630
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		2,064	1,630

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here: Date: 31 July 2012
(Company Secretary)

Print name: Stephen Mann

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.