

ASX ANNOUNCEMENT

Allied's CardioCel® \$1.9M grant from Commercialisation Australia

- **Grant will assist Allied in commercialising CardioCel® in global markets**

Brisbane, Australia, 3rd June 2013

Allied Healthcare Group (ASX: AHZ) today announced that Commercialisation Australia will soon announce that Allied's CardioCel® is the recipient of a \$1.9M grant for the commercialisation and launch of the group's lead regenerative tissue product CardioCel®.

Under the project, which has been supported with assistance from the Australian Government, Allied will receive matching funding of \$1.9 million until August, 2014. The grant funding begins immediately.

CardioCel® is the group's lead regenerative tissue product for the repair and reconstruction of cardiovascular defects including repairing heart valves. It has demonstrated superior characteristics including anti-calcification properties, beneficial mechanical properties, off the shelf ease of use and importantly allows tissue regeneration post implantation without needing to use growth factors or external stem cells.

"The grant provides significant financial support for the preparation work required to launch CardioCel® into global markets and we're very grateful to Commercialisation Australia for this funding," said Allied Healthcare Group Managing Director Lee Rodne.

"CardioCel® has delivered proven benefits for both surgeons and patients under the Authorised Prescriber Scheme in Australia and we anticipate CardioCel® to be in the global markets and providing improved patient outcomes to this patient group over the next 12 months."

Allied Healthcare Group continues to pursue marketing approval for CardioCel® via a CE Mark in Europe and 510 (k) in the US as part of its global launch of the product. It is currently being used by Australian surgeons in Brisbane and Melbourne under early access schemes and we expect additional Authorised Prescribers in the coming months.

Approval of CardioCel® in global markets is expected to provide a significant increase in revenue to Allied Healthcare Group.

This project has been supported with assistance from the Australian Government through Commercialisation Australia and will partially fund additional key resources in Europe and the US and build up global manufacturing capabilities.



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About Allied Healthcare Group Limited

Allied Healthcare Group Limited (ASX: AHZ) is a diversified healthcare company focused on investing in and developing next generation technologies with world class partners, acquiring strategic assets to grow its product and service offerings and expanding revenues from its existing profitable medical sales and distribution business. The Company has assets from Research & Development through Clinical Development as well as Sales, Marketing and Distribution.

Allied Healthcare Group is in the process of commercialising its innovative tissue engineering technology for regenerative medicine. Allied also has major interest in developing the next generation of vaccines with a Brisbane-based research group led by Professor Ian Frazer. The vaccine programmes target disease with significant global potential like Herpes and Human Papilloma virus.

Further information on the Company can be found on www.alliedhealthcaregroup.com.au.

Allied's Regenerative Medicine Division

Allied's regenerative tissue engineering technology started as a research program in in 2001 focusing on tissue engineering and regenerative medicine based around the proprietary ADAPT[®] Tissue Engineering Process. The lead programme CardioCel[®] has successfully completed a number of animal studies and a Phase II human clinical trial. CardioCel[®] is a cardiovascular patch used to repair paediatric heart deformities. These deformities range from routine "Hole in the Heart" operations to major vessel outflow tract repairs. The CardioCel[®] patch may also be used to repair leaking heart valves in paediatric patients. CardioCel[®] has been shown to allow tissue regeneration once implanted. Some researchers postulate that stem cells play an active role in tissue regeneration*, suggesting that CardioCel[®] facilitates endogenous stem cells and other cells to regenerate and repair damaged tissue.



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The division is based on the patented ADAPT[®] Tissue Engineering Process as a platform technology to produce implantable tissue patches for use in various soft tissue repair applications and for the production of replacement tissue heart valves. The ADAPT[®] technology is used to process animal derived tissues to produce unique implantable tissue patches that are compatible with the human body. The technology has a number of advantages over current tissue treatment processes on the market, most notably the reduction of calcification post implantation. This technology has the potential for medical professionals to use regenerative products instead of synthetic products currently used in soft tissue repair.

* Körbling & Estrov, 2003. Adult Stem Cells for Tissue Repair — A New Therapeutic Concept? NEJM Volume 349:570-582, August 7, 2003, Number 6



An Australian Government Initiative



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