ASX ANNOUNCEMENT

ALLIED'S HERPES VACCINE PROGRESSES TO PHASE 1 CLINICAL TRIAL

Brisbane, Australia, 19 June 2013

Allied Healthcare Group (ASX: AHZ) has announced that its Herpes Simplex Virus (HSV-2) vaccine has received ethical approval to commence a Phase I, dose ranging, clinical trial.

Professor Ian Frazer is developing the first in class vaccine for HSV-2 genital herpes, which affects up to 1 in 6 Americans, and for which there is currently no curative treatment. The vaccine technology utilises a patented optimisation technology that offers the potential of being both a preventative and therapeutic vaccine.

"This clinical trial approval represents a further significant milestone in Allied's commercialisation of next generation vaccines that are designed to have the power to both prevent and treat infectious diseases and cancers. We are delighted to be working with Professor Frazer and his team on taking this vaccine forward. The clinical trial will also prove the value of this technology in humans for use in a wide range of vaccines," said Lee Rodne, Chief Executive Officer of Allied Healthcare Group.

The Phase I study will vaccinate twenty healthy volunteers via intradermal injection into the forearms with a goal to examine the safety of the vaccine, as well as detect if an antibody and T-cell response can be generated by people.

Along with safety data, the results will indicate if the vaccine can stimulate an antibody (protective) response as well as T-cell response (therapeutic). The importance of the T-cell response is it indicates the potential for the vaccine to be used as a treatment against herpes.

"This is the beginning of an exciting period for our herpes vaccine. We have seen very encouraging results from animal studies and we expect pivotal data showing that our vaccine, which incorporates our patented optimisation technology, to produce similar immune responses in the clinic," said Professor Frazer.

The outcomes of the Phase I trial will demonstrate the vaccine's safety and how well tolerated it is, as well as determining the effective dose and showing that the vaccine generates a robust immune response.

Genital herpes affects more than 1 in 6 Americans between ages 14 and 49 according to the Centers for Disease Control in the USA. WHO estimates the number of people aged 15–49 years who are living with HSV-2 worldwide exceeds half a billion.

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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.

About the technology

The technology is based on 6 granted US patents protecting its codon optimisation DNA technology, which enhances protein expression in the cell or tissue targeted and results in an improved humoral response. The second component of the technology, also patent protected, is to use a mixture of DNAs encoding ubiquitinated and non ubiquitinated proteins. This strategy enhances the degradation of the protein and optimises T cell responses, while preserving structural epitopes necessary for B cells responses, resulting in vaccines with prophylactic and therapeutic potential.

About Genital Herpes

This disease often results in recurrent painful sores in the genital area. HSV-2 is the major causative agent of genital herpes. As well as pain and discomfort to infected individuals, the virus can have serious health implications for babies born to infected women. Herpes is also believed to aid in the transmission of HIV. Current herpes treatment involves the use of antiviral drugs which can reduce, but not eliminate, outbreaks and shedding and therefore do not prevent spread of the disease. According to research reported in Biomed Central's journal BMC Infectious Diseases, the economic burden of genital HSV infection and resulting complications has been estimated to be greater than $1 billion annually in the USA alone.