

ASX ANNOUNCEMENT

ALLIED INCREASES STAKE IN PROFESSOR IAN FRAZER'S VACCINE TECHNOLOGY

Brisbane, Australia, 1 July 2013

Allied Healthcare Group (ASX: AHZ) announced today that it has increased its holding in the platform vaccine development company led by Professor Ian Frazer. The Company has increased its stake in the Coridon vaccines from 44% to 50.1%.

The increase follows the recent milestone announcement that the genital herpes (HSV-2) vaccine being developed by Prof Frazer is entering its first human trials. The Phase 1 trial of the novel HSV-2 vaccine is aimed at both preventing the spread of the virus and offering a treatment to those infected.

Prof Frazer is also developing a next-generation therapeutic vaccine for human papilomarvirus (HPV) and associated cancers and this is also showing significant and positive progress, said Allied Healthcare Group CEO Lee Rodne.

"Both herpes and HPV are highly prevalent viral infections for which there is no therapeutic vaccine or cure available and as such represents a high global demand and clinical need for new novel vaccines and improved treatments," Mr Rodne said.

"We continue to see exceptionally strong results and the delivery of key milestones from Professor Frazer's work in this space, and so we are driven to further invest and commercialise this high-potential technology."

Allied Healthcare Group and Prof Ian Frazer are developing the next-generation therapeutic vaccines, which are designed to not only prevent the spread of disease but to also treat those already infected. There is no limit on who can benefit from a therapeutic vaccine and it could be applied to a broad range of viral diseases and cancers.

Genital herpes affects more than 1 in 6 Americans between the ages of 14 and 49 according to the Centers for Disease Control in the USA. WHO estimates the number of people aged 15–49 years who were 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.

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