

ASX ANNOUNCEMENT

ALLIED HERPES PHASE I TRIAL PROGRESS UPDATE

- Herpes simplex virus 2 (HSV-2) therapeutic vaccine trial progressing well
- Final dose regimen initiated
- No safety issues to date

Brisbane, Australia, 17th October 2013

Allied Healthcare Group (ASX: AHZ) today announced an update on its Phase I trial of a therapeutic vaccine for Herpes simplex virus 2 (HSV-2), the viral strain commonly associated with genital herpes.

The study has 5 cohorts made up of 4 participants in each cohort with each participant receiving 3 doses in total during the study. To date subjects in all cohorts have now received 2 of 3 doses of the vaccine.

"The trial is progressing to schedule with participants now receiving their final dose of the therapeutic vaccine, with no safety issues reported to date," said Allied Healthcare Group's CEO Mr Lee Rodne. "We anticipate the results of this trial will provide us with very important safety data, as well as the first indication of the vaccine's protective and therapeutic effect in humans."

The study is being undertaken by Professor Ian Frazer and his team in Brisbane. The therapeutic vaccine is based on technology developed by Professor Frazer and is designed to have both a preventative and a therapeutic effect against genital herpes.

The primary focus of the Phase I study is safety; however, as all participants were screened to exclude previous exposure to Herpes simplex virus 1 (cold sores) or HSV-2 (genital herpes). The results will also provide an early indicator of the vaccine's ability to generate an effective immune response.

"The core technology has already shown very positive results in pre-clinical studies and we believe the Phase I study will provide further validation of Professor Frazer's immunotherapeutic vaccine technology," Mr Rodne also said.

"We hope to see this technology's ability to stimulate the immune system and therefore have the potential to produce a treatment for herpes, as well as being a platform to develop potential treatments for a broad range of viral, bacterial and cancer-related diseases".

Currently there is no cure for HSV-2 and the incidence is high. The US CDC estimates that 1 in 6 people in the USA between the age of 14 and 49 have contracted the infection.

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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 <u>www.alliedhealthcaregroup.com.au</u>.

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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