

ASX ANNOUNCEMENT

ALLIED AWARDED INDUSTRY'S EMERGING COMPANY OF THE YEAR

Brisbane, Australia, 31th October 2013

Allied Healthcare Group (ASX: AHZ) today announced that it is the recipient of the industry's 2013 Emerging Company of the Year award, which was presented at Ausbiotech's national conference and award ceremony last night.

The Janssen 2013 Emerging Company of the Year award recognizes a biotechnology or life sciences company that has demonstrated a significant achievement or achievements during the year with reference to commercial deals, advancement of product pipeline, intellectual property, company strategy or revenue.

"We are very proud and excited to receive industry recognition that highlights the strong progress that our company has made, particularly over the last 12 months. With growing revenues, bringing our lead regenerative tissue product CardioCel® to market in Europe and initiating the Group's Phase 1 study for its lead vaccine targeting a treatment for Herpes, it has been a very exciting year" stated Mr Lee Rodne, CEO of Allied Healthcare Group.

"We would like to thank Janssen, the organisers and sponsors for this event and also thank all of our staff for their focus and commitment in achieving our major milestones".

Allied Healthcare Group's major achievements for the past year include:

- Growing revenues to \$7.4 million, with the Company also being awarded a 5-year contract worth over \$2 million to implement our leading edge infusion management systems into a Queensland Hospital.
- European marketing approval (CE Mark) for the group's lead regenerative tissue product CardioCel® to treat and repair heart defects including reconstructing heart valves in both paediatric and adult patients.
- CardioCel® granted early access at key centers in Australia, allowing cardiac surgeons to repair congenital heart defects. Fourteen heart surgeons have now been approved to use CardioCel in paediatrics and adults via this scheme and have completed over 75 successful open heart procedures using CardioCel®.
- Lodged our FDA 510(k) marketing application for CardioCel® and expect US marketing approval in the first half of 2014.
- In November 2012, the Company announced that CardioCel® showed superiority over autologous tissue in a heart valve repair model. The results showed that heart valves repaired with CardioCel® tissue did not calcify while facilitating strong regeneration around the valve tissue. The heart valve study data was presented by a leading cardiothoracic surgeon at the American Association for Thoracic Surgery (AATS) Heart Valve conclave meeting in New York City in May 2013.



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- The Company also announced positive results in the comparative study with ADAPT prepared tissue in pelvic floor reconstructions and hernia repair. This data was important as it showed that ADAPT[®] prepared tissue is superior to existing products with strength equal to that of synthetic materials and suitable for pelvic floor and hernia repair.
- Allied's regenerative medicine division was awarded a \$1.9M grant from Commercialisation Australia to prepare and launch CardioCel[®] into global markets. This grant and the ongoing project is being supported by the Australian Government through Commercialisation Australia and is further validation of the quality of the program. This combined with the potential quality of life improvements that CardioCel[®] offers patients and the late stage of development of the product demonstrates the value of this technology to the Company.
- The initiation of the Group's first human trial with Professor Ian Frazer of a novel vaccine targeting a treatment for Herpes. The first patients were successfully inoculated in September this year, with no safety issues raised and the group expects initial interim results towards the end of 2013 with full results mid-2014.
- Successful initial preclinical results of Professor Ian Frazer's next HPV vaccine targeting a treatment against the human papillomavirus (HPV) and cervical cancer.

Allied was also acknowledged for the way in which it has conducted its approach to commercialisation by demonstrating good clinical strategy and efficient project management which sets an example for the biotech industry to follow.

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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 a major interest in developing the next generation of vaccines with a Brisbane-based research group led by Professor Ian Frazer. The vaccine programs target disease with significant global potential such as Herpes and Human Papillomavirus.

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 2001 focusing on tissue engineering and regenerative medicine based around the proprietary ADAPT[®] Tissue Engineering Process. The lead program CardioCel[®] has successfully undergone and completed a number of animal studies and a Phase II human clinical trial. CardioCel[®] is a cardiovascular scaffold used to repair paediatric heart deformities. These deformities range from routine "hole in the heart" operations to major vessel outflow tract repairs. The CardioCel[®] scaffold 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.

The division is based on the patented ADAPT[®] Tissue Engineering Process as a platform technology to produce implantable tissue scaffolds for use in various soft tissue repair applications and for the production of replacement tissue heart valves. The ADAPT[®] technology is used to process xenograft tissues to produce unique implantable tissue scaffolds 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 and has the potential to replace many of the products that surgeons currently use for 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

About the vaccine 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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