ALLIED HEALTHCARE GROUP

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

31 October 2012

Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam,

Re: Appendix 4C - Quarterly Report

Please refer to the 'Appendix 4C' attached for details for the period ended 30 September 2012 for the Group.

The Company had a cash balance of $1.1M at the end of quarter with access to an additional $500,000 overdraft. This is estimated to provide at least 9 months working capital subject to incoming revenue from the sales, marketing division and regenerative medicine franchise. During the quarter Allied had a one-off expense which accounted for over 40% of the cash spent. This expense related to the advanced purchases of stock and ensuring stock supply for the coming year.

Recently Allied received early access approval of its lead regenerative tissue product CardioCel via the Authorized Prescriber Scheme in Australia and the Company is anticipating to receive full regulatory approval of CardioCel® in at least one jurisdiction in 2013.

Allied also reported a strong 25% increase in revenue compared to the corresponding quarter, indicating continued strong growth in revenue for its sales and marketing division. This is in-line with the Company's expectation of revenue growth this financial year, along with the commercial launch of its lead regenerative tissue product CardioCel.

Yours sincerely

Stephen Mann
Company Secretary

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Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Allied Healthcare Group Limited

ABN	Quarter ended ("current quarter")
36 088 221 078	30 September 2012

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (3 months) $A'000
	Cash flows related to operating activities			
1.1	Receipts from customers		1,646	1,646
1.2	Payments for	(a) staff costs	(653)	(653)
		(b) advertising and marketing	(52)	(52)
		(c) research and development	(79)	(79)
		(d) leased assets	-	-
		(e) other working capital	(1,890)	(1,890)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		4	4
1.5	Interest and other costs of finance paid		(2)	(2)
1.6	Income taxes paid		-	-
1.7	Other – R&D Tax Concession		87	87
	Net operating cash flows		**(939)**	**(939)**

		Current quarter $A'000	Year to date (3 months) $A'000
1.8	Net operating cash flows (carried forward)	**(939)**	**(939)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	(16)	(16)
	(d) physical non-current assets	(15)	(15)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	**(31)**	**(31)**
1.14	**Total operating and investing cash flows**	**(970)**	**(970)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other / Transactions with Non-controlling interests	-	-
	Net financing cash flows	**-**	**-**
	Net increase (decrease) in cash held	(970)	(970)
1.21	Cash at beginning of quarter/year to date	2,064	2,064
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	**1,094**	**1,094**

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	66
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Consultancy services $66k

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A’000	Amount used $A’000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

The Company holds an overdraft facility of $500,000 which is completely unused at the end of the current quarter. .

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
4.1 Cash on hand and at bank	1,094	2,064
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	**1,094**	**2,064**

Acquisitions and disposals of business entities

	Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does /~~does not*~~ *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date: 31 October 2012
(Company Secretary)

Print name: Stephen Mann

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.

3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.