

ASX ANNOUNCEMENT

NHMRC GRANT FOR IAN FRAZER'S WORK ON NEXT-GEN HPV VACCINE

Brisbane, Australia, 20 December 2012

Allied Healthcare Group (AHZ) today announced Professor Ian Frazer has been awarded a grant to support the ongoing development of a novel DNA vaccine for the prevention and treatment of human papilloma virus (HPV).

Professor Frazer, and his team at the University of Queensland, will receive funding from Australia's National Health and Medical Research Council (NHMRC) of \$200,000 over the next two years to expand the scope of pre-clinical trials.

The next-generation HPV vaccine is being developed by Professor Frazer's company Coridon, which Allied Healthcare Group is a major shareholder.

"We welcome this contribution from the NHMRC which recognizes the important work being undertaken by Professor Frazer and his team at the University of Queensland," said Allied Healthcare Group, Managing Director, Mr Lee Rodne.

"This novel HPV vaccine promises to be another major step forward in efforts to reduce the global burden of HPV-related disease, and the fight against cervical cancer."

HPV is one of the most common sexually transmitted diseases in the world and is the causing virus in approximately 5% of all cancer cases worldwide, particularly cervical cancer in women.

Earlier work by Professor Frazer led to the development of the two currently available prophylactic vaccines, Gardasil® and Cervarix®, which are highly effective at stopping women not yet exposed to HPV from contracting the sexually transmitted infection.

Pre-clinical results released earlier this year by Allied, show the novel HPV vaccine successfully induces an immune response that can protect mice from developing cancer tumours associated with HPV infection.

A commercially available therapeutic HPV vaccine that would stop uninfected women from contracting HPV and also provide a therapeutic benefit to those already infected will have immense benefits to cervical cancer sufferers globally.

The commercial market for such a vaccine, if successful, is assessed at over \$1.3B per annum, as it would be used to treat women with persistent cervical HPV infection.

This condition affects about 2% of women during their lifetime, and currently requires lifetime follow up to prevent development of cervical cancer, but has no available therapy.

Gardasil® and Cervaix® are ineffective in preventing development of HPV-associated premalignancy if administered to people already infected with HPV.



Among HPV-associated cancers, cervical cancer is the second largest cause of cancer deaths in women worldwide and is primarily caused by HPV infection, with HPV DNA present in 99.7% of all cervical cancers. Globally, this equates to 529,000 new cases per year, and about 275,000 deaths, with 86% of cases being in developing countries.

In the USA, it is estimated that 26.8% of 14-59 year old females (around 20 million) are currently infected with HPV and another 6 million people become newly infected each year. The U.S. National Institutes of Health stated that in 2009 there were 11,270 new cases and 4,070 deaths from cervical cancer in the USA. It is estimated that approximately \$1.425 billion is spent in the USA each year to treat cervical cancers.

For more information, please contact:

Dr Julian Chick, Chief Operating Officer Allied Healthcare Group Tel: +61 3 9620 5454

Media:

Shevaun Cooper
Buchan Consulting
+61 39866 4722
scooper@buchanwe.com.au

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 division. 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 commercializing 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 programs target disease with significant global potential like herpes and human papillomavirus.

Further information on the Company can be found on www.alliedhealthcaregroup.com.au.

Allied's Regenerative Medicine Franchise

Allied's regenerative tissue engineering technology started as a research program in in 2001 focusing on tissue engineering and regenerative medicine based around the proprietary ADAPT[®] Tissue Engineering Process (TEP). The lead program, CardioCel[®] has successfully completed a number of animal studies and a Phase II human clinical trial. CardioCel[®] is a cardiovascular patch used to repair paediatric heart deformities. These deformities range from routine "Hole in the Heart" operations to major vessel outflow tract repairs. The CardioCel[®] patch may also be used to repair and reconstruct heart valves in 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.



ABN 35 088 221 078

Level 1, 197 Adelaide Terrace
Perth Western Australia 6000

PO Box 6879 East Perth
Western Australia 6892

T +61 (0)8 9266 0100

F +61 (0)8 9266 0199

E info@alliedhealthcaregroup.com.au

www.alliedhealthcaregroup.com.au

Product development is based on the patented ADAPT[®] Tissue Engineering Process (TEP) as a platform technology to produce implantable tissue patches for use in various soft tissue repair applications and for the production of replacement tissue heart valves. The ADAPT[®] technology is used to process animal derived tissues to produce unique implantable tissue patches 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. This technology has the potential for medical professionals to use regenerative products instead of synthetic products currently used in 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 Coridon

Coridon was founded in 2000 by the founder inventor Prof Ian Frazer as a private unlisted company, to develop and commercialise patented technology for improving immune responses to DNA vaccines licensed by UniQuest Pty Ltd and developed at the University of Queensland. The company has laboratories within the research facility at the Princess Alexandra Hospital in Brisbane, working in collaboration with the University of Queensland's Diamantina Institute. The company's overall objective is to utilise its unique optimisation technology to produce prophylactic and/or therapeutic DNA vaccines for a range of infectious diseases and cancers in humans. Product development is currently focused on herpesvirus vaccines.

About Coridon's optimised technology

Coridon has 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.



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