ALLIED HEALTHCARE GROUP

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

30th July 2013

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 June 2013 for the Group.

- **Sales up 15% for the year**
- **Full year revenue of $7.4M**
- **Receives grant for $1.9M**
- **Allied finishes quarter with $2.45M**

Allied Healthcare Group had revenue of $2M during the past quarter with full year revenue of $7.4M for the financial year, up 15% for the year and indicating continued strong growth in revenue.

At the end of the quarter, the Company had a cash balance of $2.45M. During the period the company was awarded a $1.9M grant towards the commercialization of the company's lead regenerative tissue product "CardioCel" and currently has sufficient capital to achieve its major milestones, including the initial approval and launch of CardioCel® and the initiation of the first clinical study for the Herpes vaccine program with Professor Ian Frazer.

Over the past the quarter Allied has had many highlights. The Company has announced a number of cardiothoracic surgeons in Australia have received approval for early access to CardioCel®. This brings the number to 6 surgeons that are using CardioCel® to repair and treat congenital heart disease.

During the past quarter, Allied's CardioCel® program received a $1.9M commercialisation grant from Commercialisation Australia.

Additionally, the lead vaccine program, led by Professor Ian Fraser, has entered into a Phase I study. The lead program is targeting Herpes with the results scheduled for release over the next 12 months with initial results by the end of the year. The Phase I study is important in that it will provide safety data, as well as indications on the ability of the vaccine to stimulate an immune response against the Herpes virus. The program is aiming to develop a vaccine that can work as a therapeutic treatment as well as a prevention against Herpes.

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The company remains in a strong position with strong earnings growth and on the cusp of product approval for the first of the regenerative tissue products which, once approved, will provide a lift in revenue for the Company.

The Company is now advancing its pre-commercial launch activities in preparation of approvals and launching CardioCel® in overseas markets.

The Company also further invested in its DNA vaccine programs led by Professor Ian Frazer as the lead herpes vaccine advances towards clinical trials with initial results expected by the end of the year.

Yours sincerely

Stephen Mann
Company Secretary

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

36 088 221 078

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities			Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from customers		2,064	7,354
1.2	Payments for	(a) staff costs	(1,061)	(3,417)
		(b) advertising and marketing	(85)	(242)
		(c) research and development	(272)	(811)
		(d) leased assets	-	-
		(e) other working capital	(1,665)	(6,870)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		4	12
1.5	Interest and other costs of finance paid		(6)	(11)
1.6	Income taxes paid		(7)	(7)
1.7	Other – R&D Tax Concession		-	295
	Net operating cash flows		**(1,028)**	**(3,697)**

		Current quarter $A'000	Year to date (12 months) $A'000
1.8	Net operating cash flows (carried forward)	**(1,028)**	**(3,697)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	(600)	(1,000)
	(c) intellectual property	(19)	(73)
	(d) physical non-current assets	(3)	(20)
	(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 (Cash balance on consolidation of Coridon Pty Ltd)	323	323
	Net investing cash flows	**(299)**	**(770)**
1.14	**Total operating and investing cash flows**	**(1,327)**	**(4,467)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	4,396
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		452
	Net financing cash flows	**-**	**4,848**
	Net increase (decrease) in cash held	(1,327)	381
1.21	Cash at beginning of quarter/year to date	3,772	2,064
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	**2,445**	**2,445**

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	93
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
Directors fees $27k

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	2,445	3,772
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	**2,445**	**3,772**

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: .... SBMann .... Date: 30 July 2013
(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.