

ASX ANNOUNCEMENT

**ALLIED REPORTS NO CALCIFICATION FROM PHASE II
CARDIOCEL PATIENTS AFTER 5 YEARS**

- **Evidence of long-term benefits for patients implanted with CardioCel® tissue patch**
- **5 year data continues to show no calcification in patients at the site of repair**
- **Continued monitoring of patients**

Brisbane, Australia, 25th September 2013

Allied Healthcare Group (ASX: AHZ) today announced updated patient data from its ongoing Phase II extension study for CardioCel®, its lead regenerative tissue product, which showed continued evidence of the long-term benefits of CardioCel® for patients, including no sign of calcification at the site of repair.

As part of the study, five patients have been monitored over a five year period post-surgery, with the results showing no signs of calcification in these patients. In addition six patients have progressed beyond four years, and eight beyond three years, all showing no signs of calcification in ongoing post-surgical monitoring. Patients will continue to be monitored.

"These results show the potential of CardioCel® in not only providing a regenerative tissue for the repair and reconstruction of congenital heart disease and cardiovascular defects, but also the long term benefit for patients in preventing calcification of tissue," said Allied Healthcare Group CEO, Mr Lee Rodne.

The original Phase II study met its primary and secondary endpoints of 30 day survival post-surgery. Around 20 patients have continued to be monitored in an extension study to explore the longer term benefits of CardioCel® for these patients. Patients in the study were aged from 2 months to 14 years old.

"This data will be used to support ongoing launch activities in Europe by highlighting the long-term benefits of the product. We are expecting initial sales of CardioCel® in Europe in the coming months," said Mr Rodne.

Allied recently received approval of CardioCel® in Europe and anticipates approval of the product in the USA in 2014.

Videos on CardioCel® can be viewed at:

<http://www.alliedhealthcaregroup.com.au/video>

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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 www.alliedhealthcaregroup.com.au.

Allied's Regenerative Medicine Division

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. The lead programme 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 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 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



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