

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

31st October 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.

- **CardioCel® approved in Europe**
- **Phase 1 Herpes vaccine study fully enrolled**
- **\$10.4M capital raising now completed**
- **Group in a strong financial position for continued growth**

Allied Healthcare Group had revenue of over \$2M during the past quarter.

At the end of the quarter, the Group had a cash balance of \$1.7M and has also recently closed a \$10.4M capital raising. Therefore Allied is in a much stronger financial position due to the recent capital raising.

During the period the Group also received payments of \$759,319 from Commercialisation Australia as part of its Commercialization Australia grant. This grant is supported by the Australian Government.

The past quarter resulted in another successful quarter for the Group, in particular the European approval of the Group's lead regenerative tissue product CardioCel®. The current cash position combined with the recent capital raising provides the Group with sufficient capital to launch CardioCel® across Europe. It is anticipated that with the launch of CardioCel®, the Group will see an increase in revenue.

In addition during the period another surgeon received approval to use CardioCel® in Australia to treat and repair heart defects under the Authorised Prescriber Scheme (early access program). Dr Jalali, from the Prince Charles Hospital in Brisbane received approval to use CardioCel® in July of this year. Dr Jalali is a cardiac surgeon treating both adults and children.

Over the quarter the Group continued the strong progress of its therapeutic vaccines with Professor Ian Frazer. The Group's Phase 1 Herpes study continues to progress well with all patients enrolled during the quarter and the initial doses administered. Interim results are anticipated towards the end of 2013 / early 2014.



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The Group remains in a strong position with growing sales and the recent capital raising placing it in a strong financial position to launch CardioCel® in Europe. In addition the therapeutic vaccine programs continue to progress well and the Group anticipates another strong year ahead.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Mann', with a stylized, cursive script.

Stephen Mann
Company Secretary

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 September 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from customers	2,198	2,198
1.2	Payments for		
	(a) staff costs	(1,122)	(1,122)
	(b) advertising and marketing	(77)	(77)
	(c) research and development	(853)	(853)
	(d) leased assets	-	-
	(e) other working capital	(2,021)	(2,021)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Other – Commercialisation Australia Grant	759	759
Net operating cash flows		(1,116)	(1,116)

		Current quarter \$A'000	Year to date (3 months) \$A'000
1.8	Net operating cash flows (carried forward)	(1,116)	(1,116)
1.9	Cash flows related to investing activities		
	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	(11)	(11)
	(d) physical non-current assets	(79)	(79)
	(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	-	-
	Net investing cash flows	(90)	(90)
1.14	Total operating and investing cash flows	(1,206)	(1,206)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	479	479
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	479	479
	Net increase (decrease) in cash held	(727)	(727)
1.21	Cash at beginning of quarter/year to date	2,445	2,445
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	1,718	1,718

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

Reconciliation of cash

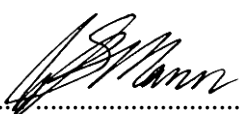
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	1,718	2,445
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		1,718	2,445

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 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.