ASX ANNOUNCEMENT

ALLIED GRANTED CE MARK FOR LEAD REGENERATIVE PRODUCT CARDIOCEL®

- **Initial approval for CardioCel® in European market**
- **CardioCel® granted for use in children and adults**
- **Important development in the treatment of congenital heart disease and cardiovascular repair**
- **Approval provides platform for portfolio of regenerative tissue products**

Brisbane, Australia, 26th August 2013

Allied Healthcare Group (ASX: AHZ) today announced that CardioCel® has received CE mark approval, allowing the company to launch and market the product in Europe.

Allied Healthcare Group CEO Mr Lee Rodne said: "The CE mark approval for our lead regenerative product CardioCel® is a key milestone for Allied. As we continue to roll-out CardioCel® in different markets, we can look forward to increased revenue streams and we expect to see a significant lift in company revenue over the coming years."

The Company will now look to take advantage of this CE mark to launch and start selling the product throughout Europe. The CE mark for CardioCel® allows for the repair and reconstruction of heart defects including treating congenital heart disease and repairing heart valves in both children and adults.

In addition to commercial and scientific validation, the approval of CardioCel® technology in Europe offers a platform to launch additional cardiovascular products, as well as regenerative tissue products for the repair and reconstruction of other defects and diseases.

"CardioCel®'s approval in Europe provides the surgeons with an important addition to their treatment in the repair of cardiac defects, and offers children and adults suffering from cardiac defects and disease a promising new technology that displays strong levels of regeneration and long term benefits," stated Mr Rodne.

Allied Healthcare Group is expecting sales of CardioCel® in Europe to begin in the 4th quarter this calendar year.

This first approval is a platform from which the company can build a portfolio of regenerative tissue products for treatment of cardiac diseases and defects as well as other indications such as vascular reconstructions, hernia repair and pelvic floor reconstructions.

CardioCel® offers key benefits for patients and surgeons including showing strong levels of regeneration of self-tissue without needing external stem cells or growth factors and no cytotoxicity at the site of repair, thereby reducing the issue of calcification which can often lead patients to have repeat surgeries. CardioCel® is also ready to use, off the shelf, saving time during surgery.

Allied Healthcare Group is also pursuing approval for CardioCel® in the USA and anticipates US approval in 2014.

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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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