

ASX ANNOUNCEMENT

ALLIED COMPLETES OVERSUBSCRIBED \$10.4 MILLION RIGHTS ISSUE

- **Rights Issue \$6M over subscribed**
- **Over 70% of shareholders take up entitlement**
- **All shortfall allocated to existing shareholders**

Brisbane, Australia, 23rd October 2013

Allied Healthcare Group (ASX: AHZ) (**Company**) advises that the non-renounceable rights offer announced on 23 September 2013 to raise approximately \$10.4 million (before expenses) on the basis of 1 new fully paid ordinary share in the Company (**Share**) for every 5 Shares held at an issue price of \$0.05 each (**Rights Offer**), closed on Friday, 18 October 2013. In total around 2700 shareholders took up their entitlements.

The Company received entitlement acceptances in respect of 181,547,406 Shares. The total funds raised from these entitlement acceptances is approximately \$9,077,370. Eligible shareholders have also applied to take up 151,212,449 additional Shares under the top-up facility (**Additional Shares**), and the Company has received approximately \$7,560,622 in subscription funds for these Additional Shares, resulting in an oversubscription of the Additional Shares.

"This capital places Allied in a very strong position as we launch CardioCel[®] in Europe and progress the US approval as well as our continued investment into therapeutic vaccines with Professor Ian Frazer" said Allied Healthcare Group CEO Mr Lee Rodne.

Applications for the Additional Shares under the top-up facility have been determined in accordance with the allocation policy described in the Rights Offer Document. Accordingly, all shareholders who applied for Additional Shares will receive a proportionate share of Additional Shares under the top-up facility having regard to their holdings as at the record date of 1 October 2013. Shareholders who have been allocated a lesser number of Additional Shares than they applied for will have their excess application money refunded in accordance with the terms in the Rights Offer Document.

"Again we appreciate and thank shareholders for their support and we look forward to a strong future as the Company continues to grow" said Mr Lee Rodne.

The underwriter of the Rights Offer, RBS Morgans Corporate Limited, has been advised that there is no shortfall.

The Rights Offer raised approximately \$10.4 million (before costs). The new Shares are expected to be issued on or before 24 October 2013.

The Company intends to return oversubscription funds not allocated under the shortfall as soon as possible.



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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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About the technology

The technology is based on 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.

About Genital Herpes

This disease often results in recurrent painful sores in the genital area. HSV-2 is the major causative agent of genital herpes. As well as pain and discomfort to infected individuals, the virus can have serious health implications for babies born to infected women. Herpes is also believed to aid in the transmission of HIV. Current herpes treatment involves the use of antiviral drugs which can reduce, but not eliminate, outbreaks and shedding and therefore do not prevent spread of the disease. According to research reported in Biomed Central's journal BMC Infectious Diseases, the economic burden of genital HSV infection and resulting complications has been estimated to be greater than \$1 billion annually in the USA alone.



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