

ALLIED HEALTHCARE PRODUCTS INC
Form DEFA14A
October 11, 2013

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant "

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Allied Healthcare Products, Inc.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

October 11, 2012

To our shareholders:

Allied Healthcare Products domestic sales continued to be depressed by constraints on hospital and government entities' budgets in fiscal 2013. Also, international sales fell abruptly, the result of Venezuela basically stopping orders after a change in the country's political leadership. For the year, sales fell about 9 percent, from about \$43.4 million to about \$38.6 million. As a result, Allied recorded a net loss for the year of about \$1.3 million, or a negative 16 cents per basic and diluted share. In the prior fiscal year, Allied recorded a loss of about \$424,000, a negative 5 cents per basic and diluted share.

The bright spot in the year came from steadily growing sales of our new premium carbon dioxide absorbent Litholyme®, used in anesthesia procedures and launched in 2013. For the year, absorbent sales increased about 38 percent.

We see the following challenges and opportunities for 2014.

We believe that Litholyme® sales will continue to grow as Allied adds to the base of hospitals that understand its favorable pricing and performance.

We do not expect to see significant growth in domestic government spending in 2014. Sequestration's constraints likely will remain in place at the federal level, and state budgets also will continue to be tight. However, we expect modest growth in domestic markets as a result of Litholyme® market strength and our significant investment in sales rep training in 2013.

Also, we expect international sales to strengthen, partly as a result of Venezuela's new leadership renewing investment in healthcare infrastructure and also as a result of the expansion of our international distribution network accomplished in 2013.

On the operations or cost side, we believe that we will continue to benefit from a highly effective team that consistently delivers new efficiencies.

We thank Allied shareholders for their continued support.

Sincerely,

Earl R. Refsland	John D. Weil
President and Chief Executive Officer	Chairman

