

R H I N O M E D

RHINOMED QUARTERLY REPORT

- **New Turbine® design to be released February 9th, 2015.**
- **Slower Q2 FY15 sales due to anticipation of next generation Turbine design.**
- **Mute revenues to commence during first half of CY 2015.**

Melbourne, Australia. January 30, 2015:

Rhinomed (ASX:RNO) has recorded a quieter second quarter sales for Turbine, due to lower opening orders from new distributors ahead of the release of the next generation Turbine design.

Rhinomed CEO Michael Johnson commented, "We began working with our customers and distributors to gather feedback on the Turbine as part of our first year test marketing program. This input has been extraordinarily valuable. As a result, the company began developing a new design during the September and December quarter that responds to user feedback and improves user experience. The new Turbine design will be released on February 9th, 2015."

By working closely with our distributors, we have carefully managed relationships to ensure stock levels both internally and within our distribution network were low prior to the new release. As a result, our sales for Q2 FY15 were lower than planned.

"Pleasingly, the interest in the new Turbine design has resulted in strong pre-orders from our distributors. The company will continue to build on this global interest in the lead up to the Northern Hemisphere spring and summer."

We are committed to building a business that is positioned for solid growth, one that is anchored on our unique technology and that delivers value to our customers, partners and shareholders. During this early stage of the Turbine roll out, the company has responded quickly to user feedback to ensure we create a product that delights users. We are committed to building valuable relationships with our customers and distributors to ensure that both they and Rhinomed are positioned for success.

The new Turbine design is a next generation breathing sports technology. Its new shape, materials and fit enable it to be worn across a much broader range of aerobic activities than its predecessor.

Over the quarter the company was successful in achieving registration of the new Mute sleep technology with the American FDA, Australian TGA and the issuing of a CE Mark late last year. Following the successful completion of a five day in-home user trial which showed clear efficacy of the Mute technology, the Company has commenced its business development strategy and is in dialogue with leading pharmacy distributors both within Australia and offshore.

The company is encouraged by the strong level of interest in the technology platform from customers and partners both within Australian and overseas. The company is in a strong financial position to take full advantage of the technology platform that has been created over the last 18 months.

About Rhinomed Limited (ASX:RNO)

Rhinomed Limited is a medical technology firm with a focus on nasal, respiratory and breathing management technologies. The company is commercialising its BreatheAssist platform technology portfolio in the Sport, Sleep, Wellbeing and Drug Delivery markets. For more information go to: www.rhinomed.global

You can purchase a Turbine by visiting www.theturbine.com and a Mute at www.mutesnoring.com