

ASX ANNOUNCEMENT

Consegna Elects to return Aspen Medisys following extensive evaluation

Melbourne, Australia. 1 November 2012. Consegna Group Limited (ASX: CGP) has today announced that following extensive evaluation the Company has elected not to exercise its option to acquire the assets of Aspen Medisys, LLC (Aspen).

On the 4th July 2012 Consegna announced it was extending the initial six-month evaluation period of Aspen to conduct further due diligence and pursue interest from European partners in relation to Aspen's thermotherapy platform technology portfolio.

With the evaluation now complete, Consegna has elected not to proceed with the transaction and has notified Aspen of its intent to return the asset. The decision was based on the longer than expected development and commercialisation timeframe, higher than expected required investment, and weaker intellectual property position. Consegna had advised the market its intent to pursue an IPO, however the company believes this is now not in the best interest of the Company and its shareholders.

"Passing what we initially considered was a good asset back is always a difficult decision for any medical development company; however this is absolutely the right decision for our investors," said Executive Chairman Fabio Pannuti.

"The due diligence period serves an important purpose in any transaction and has allowed us to fully evaluate the strength of the asset, and consider the resources and investment we believe will be required to bring products to market. It is now our strong position that the Aspen portfolio will not deliver the value to our shareholders in the short to medium term that we expected."

Aspen owns a nano-technology for the treatment of tumours, which enables very precise temperature increases to target diseased tissue using magnetically heated nano-particles implanted into the diseased tissue.

Aspen is one of four development programs supported by the Consegna Group. The other three development programs BreatheAssist™, Linguet™, and Vibrovein are more advanced in the commercialisation cycle with revenues expected in the first half of 2013 for BreatheAssist and within 18 months for Linguet and 24 months for Vibrovein.

"Our purchase-package-profit model supports the acquisition of late stage or distressed assets with significant commercial potential. We then add value by designing and executing a commercial strategy and then monetise them through an appropriate exit strategy," Mr Pannuti said.



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The validity of this model was supported with Consegna recently selling its drug delivery technology Linguet to Imugene (ASX IMU) with Consegna retaining a 29% equity position in Imugene. Imugene is now pursuing initial targets for commercialisation of Linguet in the nutraceutical market with an opportunity to generate early cash flow.

The BreatheAssist product for elite sports will be launched early next year and will start generating revenue.

As a result of Consegna's decision to return the Aspen assets and the near term completion of clinical trials and market testing of BreatheAssist for the elite sports market, R&D expenses will be reduced considerably.

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For further information, please visit www.consegna.com

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About Consegna Group Limited

Consegna Group Limited's purpose is to identify, acquire and commercialise late stage therapeutic delivery technologies. The Company targets high value markets and indications using an acquisition strategy driven by strategic value creation, patent protection and realisation criteria.