



CONSEGNA
DELIVERING INNOVATION

Q3 OPERATIONAL REVIEW

Melbourne, Tuesday, 30th April 2013. Consegna Group Limited (ASX:CGP), provides the following report on its progress for the third quarter of FY2013, the three month period ending 31 March, 2013.

As shareholders would be aware the company underwent a significant restructure in early February. Consequently, this quarterly report reflects the significant structural change the company has carried out and the retirement of many legacy issues associated with the company's previous strategy and management.

Quarterly Highlights

- Strengthening of IP portfolio through submission of a new patent
- Successfully completing the SPP and Placement raising in excess of \$750,000;
- Management and Board restructure
- A strategic review of the company's assets and strategic options and refocusing the company around the compelling BreatheAssist asset as our first commercialisation program;
- Undertaking a major financial restructure including winding up of non core expenditure commitments and slashing monthly overheads and cost base;
- Finalising the half yearly accounts to December 2012 and a significant revaluation of the company's IP portfolio;
- A successful EGM which approved the clean up of many legacy issues and the approval of the consolidation of the company's stock on a 5:1 basis;
- The announcement of a rights options issue that will give all shareholders an opportunity to increase their holding in the company at this stage of the turn around and raise \$382,000;
- The completion and submission of the Company's R&D claim for 2012 tax year which should return in excess of \$500,000 to the company;
- The completion and submission of a claim under the Export Market Development Grant program which should return in excess of \$130,000 to the company;

As a result, the board and management are confident that the first stage of the turn around, stabilizing the company, was successful.

Q4 FY2013 MILESTONES

Corporate

During the coming quarter the company will oversee the fully underwritten options rights issue.

This rights options issue provides all shareholders with an opportunity to acquire one New Option for every three existing fully paid ordinary shares held in the Company as at the Record Date. New options will be issued at an issue price of \$0.004 per New Options raising approximately \$382,000 before transaction costs. Each New Option will have an exercise price of \$0.06 and an expiry date of 30 April 2017.

The offer is fully underwritten by Peloton Capital. ACN 149 540 018 AFSL 406040

Development

This quarter the company is focused on continuing the product development process. To achieve this outcome the company will seek to:

- Partner with a leading and experienced design company
- Recruit a user panel of leading elite athletes and trainers who will provide feedback on the existing BreatheAssist Prototype
- Identify and begin negotiations with a manufacturer capable of supplying global demand for the Sport product
- Lock down the test market launch strategy and lock in the experienced team who can deliver a successful test market launch in Australia
- Scope the US market opportunity for a BreatheAssist snoring solution and continue product development

The company will also continue to scope its clinical programs with particular focus on:

- Scoping the application of a weight management solution using a device capable of influencing appetite through the olfactory system
- Continue the scoping of the Drug delivery and Sleep Clinical programs

The company is rapidly working to finalise its technology for the sport and exercise market. This coming quarter promises to be an exciting one as we move closer to our Australian test market launch.



I would like to thank all of you who have kindly contacted us with suggestions of friends and associates who are elite athletes and, who you believe, could benefit from the BreatheAssist technology. This feedback and support is crucial to Consegna's success.

As we move closer to finalising our product for launch, we will be communicating with all shareholders and inviting all of you to participate in our sampling program. This is an important step to creating a cutting edge sports performance brand and technology and it is only fitting that Consegna shareholders be the first to sample this exciting technology.

Thank you for your confidence and support as we complete the milestones that will propel us to that goal.

Media Enquiries

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About Consegna Group Limited (ASX:CGP)

Consegna Group Limited is a Melbourne based medical technology firm with a focus on nasal, respiratory management and drug delivery technologies.

Consegna is commercializing the BreatheAssist™ technology portfolio; an intra-nasal technology designed for the global consumer and medical health markets. The BreatheAssist technology features a device capable of dilating the nostrils and/or providing a platform for a range of bioactive ingredients. The company will be commercializing the technology in multiple applications targeting:

Consumer Markets

Sport + Exercise performance,
Snoring management

Clinical Programs

Olfactory/Weight management
Sleep apnea
Drug delivery

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

CONSEGNA GROUP LIMITED (ASX:CGP)

ABN

12 107 903 159

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for (a) staff costs	(90)	(403)
(b) contractors & professional fees	(216)	(1,037)
(c) sales & marketing costs	(4)	(34)
(d) leased assets	-	-
(e) other working capital	(169)	(679)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	5
1.5 Interest and other costs of finance paid	(30)	(30)
1.6 Taxes (paid)/rebate	-	44
1.7 Other (Grant receipts)	-	153
1.8 Other (Management Fees)	-	214
Net operating cash flows	(507)	(1,767)

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	167
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

The amount at 1.24 includes payment of directors fees and payments to a director related entity excluding reimbursement for administrative expenses, office rental and travel expenses.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities – convertible note	500	500
3.2	Credit standby arrangements – Lind facility	5,275	350

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	374	206
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		374	206

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Acquisitions and disposals of business entities

	Acquisitions <i>Non-Cash</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 30 April 2013

Print name: JUSTYN STEDWELL, Company Secretary



The CFO Solution

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information