

A MESSAGE FROM THE CEO

Dear Shareholders,

As we gear up for the launch of our first commercial product into the sports consumer market in November, the scene is set for a new phase in the company's operations.

Not only will the commercialisation result in first revenues for the company, it will signal a change in company name to reflect our new focus on nasal and respiratory technology and pave the way for expansion into three further markets: sleep (snoring & sleep apnea); wellbeing (weight management, yoga/pilates); and clinical drug delivery (allergies, migraine) from 2014.

LAUNCHING INTO A GLOBAL MARKET

The Turbine™ launch is rapidly approaching. Our strategy seeks to take full advantage of a growing global interest and awareness in health and wellness. This has seen increasing numbers of people becoming more aware of and embracing healthier diets, more exercise and eco-lifestyles. According to research conducted by the American Outdoor Foundation, 141.9 million Americans participated in outdoor exercise last year. So we are firmly focused on this significant opportunity.

Globally, participation rates in sport and exercise sports continue to rise. In the US triathlons —both road and off-road—experienced the largest average annual increases in participation over the past three years. Off-road triathlons have grown 40%, with 3.6 million Americans taking part in a triathlon in 2012, according to the American Outdoor Foundation's top-line report. The same research indicated that Road riding had 39.2 million participants, Mountain biking grew last year to 7.7 million and running/jogging/trail running had 52 million participants.

In addition, a new and growing trend towards 'wearable technology' and 'mobile health' has seen the successful introduction of a range of health and wellbeing technologies ranging from sleep tracker devices and activity tracking devices (Garmin, Strava, Runkeeper, Jawbone, Fitbit) through to high performance sportswear (2XU, Skins, UnderArmour, Lululemon, Engine) based on a medical proposition (compression).

The company's Turbine™ nasal dilator enhances natural performance and maximises respiratory airflow for optimum performance during sport and exercise. It will take its place alongside these products as we move to supply this growing global market.

KEY DATES

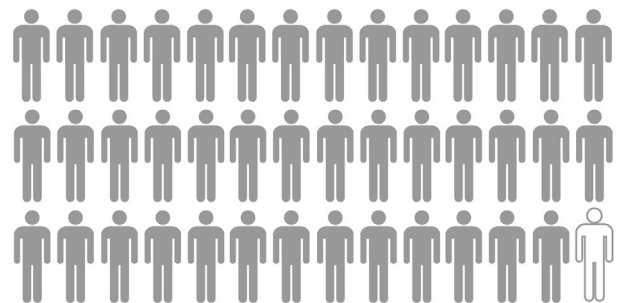
NOW: Register to pre-order at THETURBINE.COM

Oct 23: Microcap Investment Seminar

Oct 28-29: Australia Biotech Invest

Nov 12: Annual General Meeting @ MCG

141.9 Million Americans participated in outdoor exercise in 2012



American Outdoor Foundation 2012

“Rhinomed Limited....is an important part of ensuring our messaging stands out. It also clearly communicates our intention to be a leading developer and innovator of nasal and respiratory management technology.”

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A MESSAGE FROM THE CEO

A NEW NAME, A NEW ERA

To ensure we take full advantage of this growing exposure and awareness, we have also rebranded our company (*subject to shareholder approval at the AGM on 12 November*) as Rhinomed Limited. This is an important part of ensuring our messaging stands out. It also clearly communicates our intention to be a leading developer and innovator of nasal and respiratory management technology.

RHINOMED IN THE NEWS

The company is attracting media interest nationally. Here are some links to recent media coverage:

- BRR: <http://www.brrmedia.com/event/113740>
- John Beveridge (Melbourne Herald Sun): <http://tinyurl.com/pfgo4pb>

MILESTONES DELIVERED

Over the last quarter we have focused on preparing the technology for launch. This has included:

- ChinaMed as a manufacturing partner and briefing the team on the requirements for the Turbine product and our extension plans for the BreatheAssist technology portfolio;
- Began the tooling and testing of the new Turbine design which includes finalising the moulding process and locking down relevant materials;
- Finalised packaging for the Turbine product;
- Reviewed and locked down branding at both a corporate and product portfolio level;
- Flagged name change to Rhinomed in line with the focus on the significant opportunities in the nasal and respiratory technology space;
- Launched the corporate website: www.rhinomed.com.au;
- Launched the first phase of our sport website: www.theturbine.com;
- Presented at the 2013 Bioshares conference in New Zealand;
- Completed a AUD\$1m capital raising at \$0.04;
- Investment road show that has included visiting broking and investment firms in Perth, WA, Sydney, NSW, Melbourne, Vic and Brisbane, QLD;
- Rollout of media briefing;
- Presented at the *Brokers Meet Biotech* function in Perth attended by 130 brokers of WA's investment community;
- Completed a review of distribution partners and appointed Direct Link to provide fulfilment services for the Company's Sports range;

- Continued to actively manage the other keys assets:
 - § Divested 75m shares in ASX listed Imugene in order to crystallise and realise value following a Board review of this investment;
 - § Completed further development work on the intellectual property position for VibroVein™ and identified a new and novel position which should secure a strong future for this asset.

Over the next quarter the company will be firmly focused on optimising the launch of the Turbine nasal dilator and supporting the growth of the awareness and sales of the product. In the lead-up to our launch, we will continue to keep investors informed.

Key upcoming events include:

- § Microcap Investment conference (October 23): <http://tinyurl.com/lfy775w>;
- § Ausbiotech Invest conference (October 29): <http://ausbiotechinvest.com>;
- § Rhinomed Limited AGM, Keith Miller Room at the Melbourne Cricket Ground (November 12);
- § Turbine launch mid November.

As we countdown to the Turbine's launch, I ask every shareholder to register your interest in the Turbine by visiting www.theturbine.com or clicking on the link below for the opportunity to be among the first to pre-order a Turbine. In addition, we encourage you to pass the word on to family and friends and all those who want to 'make every breath count!'.

I thank you for your ongoing support and look forward to keeping you up to date with our progress as we move forward.



Michael Johnson
CEO

“Over the next quarter the company will be firmly focused on optimising the launch of our Turbine nasal dilator and supporting the growth of the awareness and sales of the product.”

MAKE EVERY BREATH COUNT

As we take a deep breath and prepare to introduce the Turbine to the sports market, we are poised to complete our first major step in the company’s transformation. It’s an exciting moment in time.

In line with the sleek lines and design features of the Turbine, we have launched phase one of our new website to allow investors and customers to sign up to be among the first to experience the Turbine. Like the product itself it is clean, crisp and no nonsense.

With production now underway, the new Turbine will shortly be available for distribution to investors and customers. We encourage you to see for yourself and register to have the opportunity to be among the first to pre-order your Turbine at www.theturbine.com.

Having checked out the Turbine, feel free to introduce the site to friends and family. One of the great things about being a shareholder of Rhinomed is that you can actively participate in introducing people to the technology you have invested in. We welcome your active involvement!

The athlete’s secret weapon – the Turbine.

The Turbine works by ‘making every breath count’, by enabling the athlete to breathe more efficiently to maximise air intake. It will appeal to the elite sportsperson and the dedicated weekend or amateur athlete alike, making the sports performance market the ideal platform for the Turbine.

Made of soft, flexible polymer that is adjustable and rests comfortably just inside the nose, the Turbine will become the athlete’s own secret weapon – and help them to power the body with more oxygen – our best natural fuel.

To be sold in a pack of three for \$AU24.95 (plus postage and handling), the Turbine delivers potential gains that are all natural and expected to be too tempting to pass up.

Chief Marketing Officer, Jane Ballantyne will execute the carefully planned marketing approach that will launch the Turbine.

Having applied a strong brand development discipline in the creation of the Turbine, that same discipline will be reflected in our go-to-market strategy. The core attributes of the Turbine – simplicity, authenticity and affordability – are integral to its appeal. We are based on sound science and using this to support the athlete to get the most out of their own performance.

The nucleus of the marketing strategy to launch the Turbine into the Australian consumer sports market is to:

1. Establish a qualified program development and endorsement process to build product credibility;
2. Build a diverse sampling campaign with influencers to establish an authentic base platform and build key relationships;
3. Consumer (public) launch of Turbine through a disruptive campaign that will drive and build awareness, engagement, registrations and endorsement, in turn.

Our online strategy follows a well defined approach as illustrated in ‘Our Digital Roadmap’ below. The major critical success factor to the long-term success of Turbine will be the speed at which it is legitimised, endorsed and ultimately used by influencers and athletes across the identified sports. Our goal is to build a premium brand. To achieve this outcome we will be methodical, yet disruptive.

Central to our approach is to build a combination of formal and informal trial programs. These programs will involve us utilising and growing relationships with professional sports people, teams and bodies (both within Australia and overseas). Additionally we will be sampling and testing with amateur athletes right across our target markets and shareholder networks. These programs are well underway and gaining traction daily.

When we get closer to the launch we will provide further details. You can stay fully informed by registering on www.theturbine.com.



MANUFACTURING PARTNER

Selection of our manufacturing partner, **ChinaMed**, was made after a thorough review of possible manufacturers in Australia, China and the US.

Located in Guangdong, China, ChinaMed has deep expertise in the production of medical devices and in particular, respiratory devices.

The ability to deal with complex medical markets and products that fall under rigorous regulatory environments. This is an important consideration as we move into the sleep and clinical markets. The ability to meet our expectations in relation to demand and scale make ChinaMed a best in class partner as we seek to take our product suite to a global market.

CEO Michael Johnson has now visited the ChinaMed manufacturing facility as part of the company's due diligence and risk mitigation.

The visit enabled Michael to inspect production facilities firsthand and ensure all processes and quality assurance standards are in place for efficient and timely delivery of high quality product for market.

"We now have a secure manufacturing partnership that removes supply risk. What is pleasing is that we have established a very strong relationship with the management team at ChinaMed - a relationship that will benefit both parties - critical to the long term success of Rhinomed as we seek to expand and bring our compelling solutions to market," he said.

ChinaMed are now manufacturing our first run of the new Turbine. And we will continue to build the inventory as we move into our commercial phase.

R H I N O M E D

A NEW NAME, A NEW ERA

The last nine months have seen us actively review every element of the company as we have sought to deliver a much-needed turn around. The final element was the corporate branding. The decision to change our company name was not taken lightly. Quite simply, the former Consegna branding no longer reflects the company's direction. Subject to shareholder approval at the AGM on (date), the company will officially change its name to **Rhinomed Limited**.

As we embark on the commercialisation phase for our first product, the Turbine nasal dilator and look further ahead with nasal and respiratory technology, which includes products planned in the sleep, wellbeing and drug delivery markets, this new name will assist building brand value and market presence.

DIGITAL PARTNER

The company engaged Melbourne based **Citrus**, to develop our online platform and ecommerce engine.

Citrus is a highly experienced digital agency, which has specialised in e-commerce for some of the countries major retail brands including Sportsgirl, adidas and Cotton On. Their track record of delivering seamless online retail experiences that capture and communicate a brands proposition is reflected the work they have delivered for Rhinomed.

"theturbine.com is designed to cut through. It not only clearly communicates our core proposition - the benefit of 38% more air when exercising - but will ensure purchasing the product is easy and straight forward," said CMO Jane Ballantyne.

DISTRIBUTION PARTNER

In addition, the company has also appointed **Direct Link**, a part of PostNord, to provide logistics and fulfilment services.

Direct Link will manage our distribution requirements, with a particular focus on the important online e-commerce mechanisms. Our decision to partner with a major global distributor such as Direct Link provides greater certainty in 'quick response' turnaround.

"We need to know that our distributor will be able to pick, pack and fulfil orders seamlessly in a timely manner from day one. It is worth keeping in mind that while we have one product today, our objective is to increase the number of products offered over the next 12 months and we need to make sure that our manufacturing and distribution networks have proven track records and are equipped for the task," Michael said.

We selected Rhinomed as the corporate identity as it strongly positions the company in the markets it will be competing in. It is strong, and clearly evokes our focus while also referencing our scientific and biotech credentials and background. The word 'Rhino' stems from Latin and refers to 'the nose' and Rhinology is the branch of medicine concerned with the nose. Hence, Rhinomed provides a unique opportunity to stake out a clear and memorable property in the health and medical markets.

The company is focused on creating a global brand designed to optimise the full value of the BreatheAssist technology platform. *"The Rhinomed branding will clearly position the company and better reflect the company's future focus on respiratory and nasal technologies,"* Michael Johnson said.

BREATHING EASIER - FOR SLEEP, WELLNESS AND MEDICATION DELIVERY

Taking the Turbine to the sports performance market may be our first step in commercialising our BreatheAssist™ technology, but plans are well underway for three additional products - each taking the technology in a different direction.

It is important to emphasize that the BreatheAssist technology is a platform, not just one product. As a result, the nasal dilator designed for the Sport market (Turbine) is very different to the design currently being developed for the Snoring market; the product being designed for the Sleep Apnea market is vastly different again! All of these products look very different to our drug delivery product.

Rhinomed has a very clearly defined process of identifying the right possible solution for each market, which is based around a clear 'Target Product Profile' or TPP. The TPP - is the range of 'jobs', needs, wants and outcomes that a product must deliver in order to solve a customer's problem. Getting this match between the TPP and the problem is critical to ensuring the new product is accepted and adopted in its target market.

We are developing products that clearly answer our customers needs, wants and outcomes in a compelling manner. This process is granular and based on objective empirical evidence, further removing the risk of a product failing. Michael Johnson commented, "We rely on our customers to be able to tell us what they want to get done, what issues they have, what problems they face. We then bring the expertise and technical ability to create and then deliver an extraordinary solution that will delight them."

The company continues to build its IP position as this process continues and we will share with all investors these developments as they occur. More recently the European Patent Office advised the company that one of its earlier patent applications has now been granted. This is an important step in ensuring the company has a firm foothold in the nasal dilation and medication delivery markets.



VIBROVEIN TECHNOLOGY

The Vibrovein technology is built on a compelling proposition - that the vibration of the needle in a syringe can significantly increase the accuracy when seeking to place a needle into a vein while also potentially reducing the pain experienced by a patient in a variety of applications.

The goal of reducing pain associated with needles has long been a holy grail in medical technology. Consequently, the intellectual property landscape is well established and crowded. Following an internal technical and intellectual property review earlier this year, the company impaired the value of this asset. This \$50,000 value, in the board's view, more accurately reflected the value of the asset at that time.

The company remains committed to delivering a positive commercial outcome for shareholders from Vibrovein. We are continuing to develop the technology and, as a result, have recently sought to strengthen the IP position. We will undertake further development work over the next 12 months in order to secure this position and create a clear and compelling commercial proposition for this important asset. Shareholder can expect to see further news of this development work over the next six months.

INVESTOR ROADSHOW FAQs

We have recently been updating investors and the broking community on our progress. During these presentations, many questions were asked. Here are some FAQ's.

Q What were the key factors that influenced the decision to sell down the company's holding in Imugene?

A The significant transformation and refocusing of Rhinomed's operations means that the company now has a clear commercial vision for its products.

The demands for capital to support the commercialisation of Rhinomed products in addition to Imugene's decision to discontinue the Ibuprofen project led the board to the decision to sell down its stake in Imugene.

Q Has all of the Imugene stock been sold?

A No. At the current time, 25m Imugene (IMU) shares have been retained by Rhinomed Limited.

Q Is this a significant change in approach from the board?

A Consegna previously held a 29% stake (100m shares) in Imugene Limited as a result of the sale of the Linguet asset in August 2012. The shares were in escrow until July 2013.

While previous management identified the possibility of an in specie distribution of the holding to shareholders (if it was practical and the value warranted such an action), the board had also been assessing the alternatives.

FAQs continued

Since acquiring the Linguet Asset, Imugene had indicated that they would seek to commercialise the technology through the targeting of commercial opportunities in the Vitamin D market and the over-the-counter (OTC) pain relief markets of non-steroidal anti-inflammatory drugs, commonly known as **NSAIDs**.

The NSAID market is significant with both generic and branded formulations of Ibuprofen competing for market share.

Given the strong link between the NSAID market and the existing Linguet clinical work and intellectual property, the board took the view that the outcome of Imugene's Ibuprofen project would be a key indicator as to the future of the company

The 18th September ASX announcement that Imugene would discontinue its Ibuprofen program was the catalyst for the board's decision to seek to realise some of the value of the holding.

Q How will the share sale proceeds be used?

A The proceeds of the share sale will be applied to bolster the working capital of the company as we progress the launch of the Turbine.

Q Why online sales? Will you do bricks and mortar retail?

A Online retail and ecommerce is a known and growing global phenomenon. Importantly, we established during our user trial that close to 80% of our targeted customer group would look for and would like to purchase the product online.

The www.theturbine.com website will provide us with a branded experience through which the customer can purchase and interact with the company. We see this as an important part of our growth strategy. Once established we will seek to expand our reach through online and social media campaigns and through linking up with specific affiliate websites and stores that increase our reach into the global sport market.

We will look to traditional retail channels to support the conversation that should occur in store and during sport and exercise. We will actively look to build relationships with niche sports stores both here in Australian and overseas.

“Importantly, we established during our user trial that close to 80% of our targeted customer group would look for and would like to purchase the product online.”

INVESTOR ROADSHOW FAQs continued

Q You are targeting elite athletes. Where will the growth come from?

A Elite athletes are well known as early adopters of technology that provides them with an edge, technology that has the potential to assist them to improve their performance. There are many examples of where this is the case and it is certainly something we have confirmed with our customer and user research.

What is equally important is that elite athletes are also a critically important reference group for a much larger mass market – the amateur sport and exercise participant. We anticipate significant growth with come from this market once we have established ourselves with elite athletes.

Q You claim nasal breathing provides real benefits, how do you know?

A Nasal breathing has long been linked to health benefits. A quick search on the internet will turn up a number of links and sites that confirm this. Our device optimises breathing through the nose!

Check out some of these articles:

<http://tinyurl.com/ko48tq9>

<http://tinyurl.com/m5chk57>

<http://tinyurl.com/mrf3ey6>

<http://tinyurl.com/cjpcek>

Q You mention that each product in the platform is very different. How?

A The Turbine is designed to improve breathing through the nose and increase the volume of air you are able to breathe, both in and out. This is of critical importance when you are carrying out any physical activity. The Turbine assists you to undertake this most essential of activities.

Sleep Apnea and in particular Obstructive Sleep Apnea (OSA) can occur when the soft tissue around the airway collapses resulting in either the narrowing or blockage of the airway. The risk of OSA rises with increasing body weight, active smoking and age. In addition, patients with diabetes or “borderline” diabetes have up to three times the risk of having OSA. Common symptoms include loud snoring, restless sleep, and sleepiness during the daytime.

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continued

One form of treatment for OSA is to ensure that the soft tissue does not collapse or does not collapse as much as it might otherwise. The BreatheAssist Sleep Apnea product currently in development seeks to keep your airways open by creating Expiratory Positive Airway Pressure (EPAP), or simply put, positive airway pressure. It achieves this by ensuring you can breathe in through your nose easily and even better than normal, yet when you exhale through the nose, your breathe is impeded to a level that results in EPAP. It is important to emphasise that the design under development is, as a result, very different to the Turbine which has been designed specifically for sport and exercise.

Q What are your expectations over the next six months?

A Our objective has always been to launch the Turbine™ this year. We will deliver on this promise. We have a naturally conservative approach when it comes to budgeting and our lean management structure reflects this. We will ensure we give the Turbine the support it needs without putting the company into any position of risk financially.

We will be focusing all our efforts to get Rhinomed to a cash flow breakeven position as quickly as we can, and then into a position of significant strength that allows us to invest in the growth of the company.

Q How do you intend to manage inventory?

A We are currently building our inventory, however we expect and have arranged our manufacturing and logistics resources such that we are capable of responding quickly to potential demand. Our launch into the Australian market allows us to carefully manage the operation over the immediate period post launch and fine tune the processes to ensure a seamless customer experience. We have performance goals in place that should ensure customers never have to wait too long before they get to experience the benefits the Turbine provides.

FORWARD LOOKING STATEMENT

Any forward looking statements in this newsletter have been prepared on the basis of a number of assumptions which may prove incorrect and the current intentions, plans, expectations and beliefs about future events are subject to risks, uncertainties and other factors, many of which are outside Consegna Group Limited's control. Important factors that could cause actual results to differ materially from any assumptions or expectations expressed or implied in this newsletter include known and unknown risks. As actual results may differ materially to any assumptions made in this newsletter, you are urged to view any forward looking statements contained in this newsletter with caution. This newsletter should not be relied on as a recommendation or forecast by Rhinomed Limited, and should not be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.