



CONSEGNA
DELIVERING INNOVATION

AMENDMENT TO CONSOLIDATION RATIO IN NOTICE OF MEETING

Melbourne, 20 March 2013, Melbourne: Consegna Group Limited (ASX:CGP) ('the Company') refers to its Notice of General Meeting ('Notice') and accompanying Explanatory Notes and Proxy Form released to ASX and sent to shareholders on 25 February 2013.

Shareholders should note that Resolution 13 of the Notice proposes seeking shareholder approval for a consolidation of the Company's share capital on a 25:1 basis. As part of the turn around strategy now in place, the board and management have been consulting with shareholders. An important part of this process of restoring and building value is listening carefully to feedback from shareholders on a number of issues, including the consolidation of capital, and the Company has acted accordingly. The Company has consequently modified the scale of the consolidation and will put a revised resolution 13 to seek shareholder approval for a consolidation of its share capital on a 5:1 basis (instead of 25:1).

Accordingly the Board will at the General Meeting propose that Resolution 13 be amended and put to the meeting as follows:

"That with effect from 10 April 2013 (or such other subsequent date that is notified to ASX by the Company), the share capital of the Company be consolidated through the conversion of every five Shares into one Share, and that any resulting fractions of Shares be rounded up to the nearest whole number of Shares."

If the amendment is approved by shareholders, the material included in Explanatory Notes in respect of Resolution 13 will be incorrect. In this regard, the following explanatory material is provided to replace the current material included in the Explanatory Notes.

Effect on Shareholdings and proposed issues of capital

If the proposed 5:1 Share consolidation is approved by the shareholders, the number of Shares on issue will be reduced from approximately 1,571,047,555 Shares to approximately 314,209,511 Shares (assuming all Resolutions in relation to the issue of Shares under the Notice are approved and all Shares are issued prior to the consolidation taking effect).



As the consolidation applies equally to all shareholders, individual shareholdings will be reduced in the same ratio as the total number of Shares (subject only to the rounding of fractions). It follows that the percentage interest of each shareholder in the Company will not materially change as a result of the proposed consolidation.

Similarly, the aggregate value of each shareholder's holding (and the Company's market capitalisation) should not materially change – other than minor changes as a result of rounding – as a result of the share consolidation alone (and assuming that no other market movements or impacts occur). However, the price per Share can be expected to increase to reflect the reduced number of Shares on issue.

Effect on Options

The Company has listed and unlisted Options on issue. In accordance with the Option terms and ASX Listing Rule 7.22, these Options will be consolidated on the same 5:1 basis as the Shares. That is, every five Options will be consolidated into one Option, and their exercise price amended in inverse proportion to the consolidation ratio. Any fractional entitlements will be rounded up to the nearest whole number.

If the proposed 5:1 consolidation is approved by the shareholders, the effect of the consolidation on the number and exercise price of Options (assuming all Resolutions in relation to the issue of Options under this Notice were approved and all Options are issued prior to the consolidation taking effect) is set out below:

Options	Pre-consolidation		Post-consolidation	
	Exercise Price	Number	Exercise Price	Number
31-May-13	\$0.20	4,000,000	\$1.00	800,000
31-Dec-13	\$0.04	22,520,000	\$0.18	4,504,000
7-Dec-14	\$0.05	20,000,000	\$0.25	4,000,000
7-Dec-14	\$0.10	20,000,000	\$0.50	4,000,000
31-Dec-14	\$0.05	30,000,000	\$0.23	6,000,000
31-Dec-14	\$0.03	30,300,000	\$0.13	6,060,000
28-Feb-15	\$0.03	20,000,000	\$0.15	4,000,000
28-Feb-15	\$0.03	6,000,000	\$0.15	1,200,000
11-May-15	\$0.04	3,980,750	\$0.20	796,150
30-Jun-15	\$0.01	25,000,000	\$0.05	5,000,000
17-Jul-15	\$0.02	10,000,000	\$0.12	2,000,000
30-Apr-17	\$0.01	80,000,000	\$0.06	16,000,000
30-Apr-17	\$0.01	370,000,000	\$0.06	74,000,000



While the Board is of the opinion that the proposed amendments to Resolution 13 are to the benefit of the company and do not have the effect of increasing a benefit to any person at the expense of shareholders, the Company has released the attached updated Proxy Form, which specifies that the proposed consolidation will take place on a 5:1 basis. The Company requests that any shareholder who has not submitted a Proxy Form to date, but intends to do so, complete and return the updated Proxy Form in accordance with the instructions set out on the form and in the Notice.

The Company will endeavour to contact all shareholders who lodged the original proxy form in respect of Resolution 13 to confirm that they do not wish to change their vote in respect to the amended Resolution 13. Please contact the Company on 03 9824 5254 if you require any further clarification.

Enquiries:

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About Consegna:

Consegna Group is a Melbourne based technology firm with a focus on nasal, respiratory and breathing management technologies. The company is seeking to monetise applications of its BreatheAssist™ technology portfolio in the Sport, Snoring, Olfactory, Sleep and Drug Delivery markets. For more information go to www.consegna.com or click below.

