

## A MESSAGE FROM THE CEO

2014 has begun with the company ready to **make every breath count!**

Having fine-tuned our systems following the release of the Turbine technology in November, we are ready for an exciting summer of sport.

Key activities include our consumer launch campaign on social media, (which you will begin noticing from 16 January) and the two premier events on the cycling calendar - the **Santos Tour Down Under** being held Jan 19-26 and the **Jayco Herald Sun Tour** in February. Make sure you follow us on Twitter **@theturbinecom** and on Facebook for all the latest news.

The Turbine is generating a great response from users and we are pleased with progress to date. There is a growing understanding of the value of the technology and how it can benefit athletes. We look forward to this continuing and reporting the outcomes. You can see some of the feedback we have been receiving later in this newsletter.

With the sport and exercise business beginning to build momentum, the company is also continuing to progress its Sleep and Drug Delivery Development programs. We have completed early prototyping of the snoring product and will shortly begin testing our prototype with users. We are excited about the opportunities for this product and believe that there is a significant unmet need in both the snoring/sleep markets and the sleep apnea markets.

The company is also continuing its efforts in scoping the Drug Delivery program. The drug delivery opportunity remains a major one. The investigation of drugs that are suitable for delivery through the nose using our technology is providing some very attractive targets. We aim to lock down a target drug in the first half of this calendar year.

On a personal note, the start of February will mark the 12-month anniversary of the beginning of the turn around of this company. While much has been achieved since then, we remain firmly committed to building an enterprise that will be at the forefront of medical innovation as we seek to 'own breathing' in sport, sleep and the maintenance of health. I thank the board and all shareholders for their strong support and look forward to a successful 2014.

If you have any questions about the Company, don't hesitate to contact me.

**Make Every Breath Count!**


**Michael Johnson**  
CEO

**KEY DATES**

- Jan 16:** Social media campaign kick off
- Jan 19 - 26:** Santos Tour Down Under
- Jan 31:** Quarterly Report and R&D Rebate Update
- Feb 5 - 9:** Jayco Herald Sun Tour
- Feb:** Product & Technology Update

"I'm using this next-level technology. Introducing the benefits of the Turbine to the global triathlon and sporting communities is exciting."

**Dr Mitch Anderson**

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## TURBINE UPDATE

We successfully released the Turbine to the Australian sports market in mid-November 2013. The weeks following have provided us with a great opportunity to fine tune our systems and optimise the way we interact with you, our customer and shareholder.

The team has been actively improving every element of the online and e-commerce process. Hopefully it is now seamless, whether you are ordering from a desk top, tablet or a mobile device. We continue to place a great deal of emphasis on ensuring that people can order the Turbine no matter where they are and whenever convenient.

I would remind all shareholders that we are seeking to build a premium brand based on a granular and cogent strategy capable of delivering sustainable growth. This approach is designed to ensure we are able to deliver on our goals, not only in the sports market, but also in the sleep and well-being markets.

Investors should visit the [www.theturbine.com](http://www.theturbine.com) site and order a Turbine if you have not already done so. Further, I also invite you to actively engage with your friends, family and acquaintances to introduce them to the Turbine and your company.

## TURBINE CAMPAIGN

In January, we commence our marketing campaign to launch Turbine into the consumer market in the lead up to the **2014 Santos Tour Down Under**. This is an exciting moment as the product starts to gain some real momentum among the cycling and triathlon communities. The campaign goes live this Thursday (Jan 16), to coincide with our sponsorship of the Tour and the height of the triathlon and cycling seasons.

Our strategy comprises of two distinct but complementary components that operate concurrently based on the target audiences:

1. *The Athletes of Australia / We've stolen your Air* = targeted at the broader sports markets
2. *All You Need is Air* = targeted at the serious/elite athletes

### **The Athletes of Australia / We've Stolen Your Air**

This part of the campaign takes a "disruptive approach" and is about grabbing attention and getting cut through with the more mass market who are involved in our core sports. Simply explained, it involves a series of videos that shows Australian athletes stealing "Air" from NZ, based on the premise that if we are using 38% more air due to the Turbine... then we're going to need more!

## PRODUCT FEEDBACK & TRIALS

SUMMER 2014

The early feedback from our elite athletes program has been heartening!

Reports are that the technology improves the way people breathe and this has a significant impact on the way they can perform.

We will be undertaking a range of new trials to formalise some of this feedback. What is definitive and clear is that the technology delivers! This overwhelming anecdotal evidence of improved times, sense of ease and better levels of perceived exertion clearly points to the value of the technology.

If you are based in Melbourne, you can participate in one of the trials by dropping in to Australian Olympian Rob Crowe's Ridewiser studio.

Find out more by visiting <https://clients.mindbodyonline.com/ASP/home.asp?studioid=19515> and then click on Turbine in the nav bar.

It is driven by high volume Facebook video posts and the subsequent viral effect based on the humour and intrigue of "who has stolen the air".

### **All You Need is Air**

This part of the campaign centres squarely on the product and single-mindedly driving the "38% more air" message. The main communication channels will be coming from us via our website and social media channels and highly targeted advertising in Cycling and Triathlon magazines and websites. The Turbine Facebook page will be the intersection point between the two components of the campaign.

We have also embarked on inaugural sponsorships of the two premier cycling events in Australia; The **Santos Tour Down Under** in Adelaide on January 19-26 and the **Jayco Herald Sun Tour** in Melbourne and Victoria on February 5-9. Being part of these events will deliver us a combination of branding in high exposure, highly credible environments; and more importantly, a means of direct access to cycling teams, managers and global media.

Read over page for more information about these partnerships.

**HOW WE STOLE NEW ZEALAND'S AIR.**

## SPONSOR PARTNERSHIPS

The excitement is building in Adelaide!

This Sunday (20 January), marks the beginning of the **2014 Santos Tour Down Under**. The Turbine will have a strong presence at the Tour, so keep an eye out for signage and media coverage throughout the week.

If you are in Adelaide we invite you to visit us at the Turbine marquee in the Adelaide City Council Tour Village and Bike Expo located in the newly re-developed Victoria Square in the heart of Adelaide. The Expo will be the hub of the Tour and you can find our more by visiting <http://www.tourdownunder.com.au/adelaide-city-council-tour-village-and-bike-expo.htm>

In addition, the Turbine will have a presence at the challenging **Stage 5 Willunga Hill Climb**. This is a real testing stage of the Tour with the King of the Mountain being contested in the final climb! What better stage to really make every breath count!

If you aren't in Adelaide, you can keep up to date with the Tour on Channel 9's Gem channel.

February will also see us as a partner sponsor of the **2014 Jayco Herald Sun Tour**, Australia's oldest cycling stage race. The Tour is a major professional teams-based event, which includes some of the best cyclists from Australia and all over the world. Not only will the Turbine have a presence, we are also the 'Best Team' jersey sponsor. If you are in Victoria, please look out for the Turbine Team throughout the Tour.

Both events represent a great way to introduce the Turbine to the world's cycling community.



## TURBINE IN THE MEDIA

Keep your eyes peeled for the Turbine in some of Australia's best cycling and triathlon mags including 220 Triathlon, Cyclist, Ride Cycling Review and Bicycling Australia magazine. There will also be increasing coverage in the social media space.

### @theturbinecom

Twitter account is now active for the Turbine.

In a relatively short period and prior to launching our consumer campaign, the account has attracted 144 followers, locally and globally.

Please follow [@theturbinecom](https://twitter.com/theturbinecom) for updates and social dialogue about the product and sports industry.

We encourage you to retweet [@theturbinecom](https://twitter.com/theturbinecom) or tweet positive feedback about the product. When tweeting, include the hashtags **#turbine**, **#makeeverybreathcount** or **#38%moreair**.



### TheTurbine

TheTurbine Facebook page is live from the commencement of the campaign (16 January). We encourage you to 'like' and 'share' the page.

The Turbine page is now live at [www.facebook.com/theturbine](http://www.facebook.com/theturbine)

The corporate Facebook page has been re-branded to recognise the change from Consegna to Rhinomed and can be found at [www.facebook.com/rhinomed](http://www.facebook.com/rhinomed)



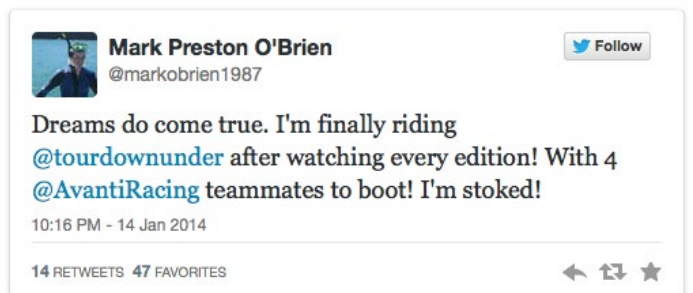
## STOP PRESS

### TURBINE'S MARK O'BRIEN TO RIDE IN TDU

The Board and Management would like to offer its heartiest congratulations to **pro-cyclist Mark O'Brien** who has been selected to ride in the UniSA team at next weeks **Santos Tour Down Under**. This follows Mark's brilliant performance last weekend (11-12 January) in the elite men's road race in the finale of the MARS Cycling Australia Road National Championships.

Up against some of the world's best cyclists including Orica Green Edge's Simon Gerrans and Cameron Meyer, BMC's Cadel Evans and Sky's Richie Porte, Mark (who wore the Turbine in the race), launched a withering attack on the climb on the last lap. The response was a Green Edge counter attack that ultimately allowed Gerrans to record a famous victory, but only after one of the best races seen in Australia!

Mark's performance has attracted the attention of the Australian cycling community and his resulting selection is due recognition of his extraordinary hard work. As shareholders will know Mark has had a long involvement in the development of the Turbine. We are thrilled that he was able to use the Turbine to make every breath count. It's a great endorsement of the power of our technology and we wish him a successful week at this year's Tour Down Under.



## SHIPPING TURBINE LARGE SIZE FROM 16 JANUARY

One of the key pieces of feedback we have been receiving has been one of fit. Some users reported that the Turbine was too small and consequently slipped out of their nose. After investigation into this issue we have developed a larger size. This size should allow a broader range of users to find the fit and feel that suits their particular nose. We have also included a sizing chart on [www.theturbine.com](http://www.theturbine.com) to ensure you can find the right Turbine for your nose.

We will begin shipping the large size of the Turbine from 16 January 2014 – so order online now.



## NEW APPOINTMENTS

**Dr. Mitch Anderson** was appointed Sports Medical Advisor to Rhinomed in December 2013. Mitch brings extensive experience in the sports medical field as both a physician and a professional triathlete. To have someone of Mitch's calibre and credentials join the Rhinomed team is a strong endorsement.

### Q Tell us a little about yourself Mitch...

**A** I'm a 38 year old medical doctor come physiotherapist come sports scientist come small business owner come professional triathlete. Well, maybe stretching a little on the last one. My days as a serious pro are no longer. I'm busy setting up my small sports medicine practice in North Melbourne and racing around town trying to keep fit...as well as keep up with my different roles. I work as an assistant surgeon in orthopaedics a couple of times a week- so get a good look at damaged joints and bones in both the upper and lower limbs.

### Q What attracted you to take up the position of Sports Medical Advisor with Rhinomed?

**A** Truly innovative products don't come around that often. When I saw the Turbine and used it, the number of possibilities for this product really excited me. I was fairly skeptical too! I've been exposed to a few different types of nasal dilation over the years, but this one is the only one I've ever used that actually works. Essentially, I'm loving the challenge of trying to think outside the square with this tiny tenting piece of high tech...so that people can get a real change to their comfort and performance during exercise.

### Q Is breathing through the nose really that much more advantageous than through the mouth?

**A** It's not that breathing through your mouth is effort inducing, it's just that adding the nose to your inhalation cycle makes so much sense. Especially when the lungs and body are under load. Exercise is uncomfortable enough without having to miss out on any nasal airflow. The nose is specially designed to humidify and filter air, something which the mouth doesn't do - meaning air can be optimised for your lungs. In the end, it's about trying to reduce the work of your breathing and feeling better while you're breathing heavily. The Turbine definitely hits it's target on that count.

## CONTACT DETAILS

**Michael Johnson, CEO**

email: [mjohnson@rhinomed.com.au](mailto:mjohnson@rhinomed.com.au)

**Martin Rogers, Chairman**

email: [mrogers@rhinomed.com.au](mailto:mrogers@rhinomed.com.au)

## OFFICE DETAILS

Suite 1, 1233 High Street, Armadale, Victoria 3143

tel: +61 (0) 3 9629 3333

fax: +61 (0) 3 8080 0796



**DR. MITCHELL  
ANDERSON**

### Q So you think the Turbine product will resonate with athletes then?

**A** Absolutely. I think the biggest barrier to getting the Turbine in the hands (and noses) of athletes is the poor execution of previous nasal dilation products. The tapes just didn't work, so serious athletes are understandably non-committal about this new technology. But once elite competitors actually get one and trial it, they quickly realise that this is light years ahead of the older iterations. And also realise that they should be using the advantage of more air, before their competition gets into the Turbine too.

### Q What are you excited about in 2014?

**A** I'm excited about traveling more in 2014. I'm going to be working in a few targeted areas, but trying to make the best of my body for a couple more go's over the longest distance of triathlon - Ironman. I'm going to be in the Phillipines, Abu Dhabi and Hawaii, just to name a few. And rest assured, I'll be maximising my air intake with the Turbine in every location!

**"I've been exposed to a few different types of nasal dilation over the years, but this one is the only one I've ever used that actually works".**

**DR MITCH ANDERSON**

## 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.