



Welcome from the CEO

Welcome to the first edition of the Consegna newsletter.

This quarterly newsletter is designed to keep you up to date with what is happening within the company as we seek to commercialise our portfolio of technologies.

The first half of 2012 has been very busy and we are pleased to report that we are reaching several exciting inflection points in our commercialisation strategy.

A lot of our focus this year has been placed on the development of our BreatheAssist™ platform technology and its application in the global sports market. BreatheAssist™ has come a long way since the start of this year as evidenced in the recent regulatory approval of the device as well as Olympic legend Sir Steve Redgrave being appointed brand ambassador and face of the product.

As well as these highlights for BreatheAssist™, there have been several others including commencement of a consumer study and clinical trials of the product. Feedback so far from the consumer focus groups has been hugely insightful for us and has armed us for the next phase in the process for BreatheAssist™.

I encourage you to get in touch to have a chat with me, as I firmly believe that is the best way to stay informed of what is happening with the company. I would very much like to talk with as many of you as possible as I believe that it will be beneficial for us to build relationships beyond the communications we release. Please call me at the Melbourne office on 03 9417 5001.

With kindest regards,

Fabio

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Consegna Signs Brand Ambassador for BreatheAssist

Consegna announced on 15 May 2012 that Sir Steve Redgrave (pictured above with Consegna CEO, Fabio Pannuti) signed as the brand ambassador and face of the breakthrough technology platform, BreatheAssist™.

Sir Steve Redgrave is widely acknowledged as one of the greatest Olympians of all time having won five gold medals in five consecutive Olympic Games, while representing the Great British rowing team. Sir Steve Redgrave's rowing career culminated in clinching gold at the Sydney Olympics in 2000.

Consegna CEO Fabio Pannuti said, *"We are thrilled to have Sir Steve Redgrave as brand ambassador and face of BreatheAssist™. Having someone of Sir Steve's stature and reputation will assist us in bringing to the attention of the sporting world the benefits of using a BreatheAssist™ unit. Sir Steve Redgrave's support I have no doubt will accelerate elite athletes from around the world, accessing the enhancement a BreatheAssist™ can provide to their performance."*

Sir Steve Redgrave said, "BreatheAssist is a revolutionary product that I am pleased to endorse. Its ability to increase airflow through the nose will, I believe, provide athletes of all types with the edge they need to perform to the best of their ability. That's why I am so excited about BreatheAssist and its potential in sport and other areas of application."

Sir Steve Redgrave: Thoughts on BreatheAssist



Building the BreatheAssist Brand

BreatheAssist™'s brand architecture is made up of four sub-brands, one for each application of the product. Although the overarching BreatheAssist™ brand will remain the same across all four, each product has its own clear identity and message.

The BreatheAssist™ brand must work to inspire trust and confidence in our customers and the wider market. In order to achieve this, Consegna continues to refine the product through design, testing and collection of data through focus groups and relevant events. This is important in order to ensure the brand is flexible and tuned to the varying needs of each market segment across any of the BreatheAssist™ applications. With this in mind we were thrilled to recently announce the appointment of Sir Steve Redgrave as brand ambassador for BreatheAssist™.

To register your interest in BreatheAssist™, please visit www.breathe-assist.com.

Pictured above: Dr Nick Ede, newly appointed CTO and Barbra Williams, Branding and Communications Manager, discuss the attributes and consumer study plans.

Our Strategy to Deliver Superior Shareholder Returns

Our commercialisation strategy is clearly defined. Fundamental to this investment philosophy is that we are agnostic toward the technology and view the technologies as independent assets under management. This investment approach drives all decisions within the company and ensures that shareholder funds are applied at all times to maximise the value of the assets.

1. Systematic identification and mitigation of core risks associated with the commercialisation of an asset/technology
2. Delivers an increase in the value of assets under management across the entire portfolio during development
3. Provides partners with a more valuable 'close to revenue' franchise rather than a latent technology
4. Delivers Conseгна greater Return on Assets and investors a higher ROI

Further to this overarching philosophy, Conseгна is applying a systematic approach to de-risking each asset. While not exhaustive, the summary below captures the process that Conseгна is pursuing:

- Identify market drivers, competitive landscape and establish target product profile
- Determine business development strategy
- Strengthen IP around key attributes
- Determine regulatory strategy
- Validate benefits with a customer/user/channel in the target market
- Determine manufacturability and establish supply chain
- Understand pricing and cost of goods

We can report that the BreatheAssist™ product is well advanced in each of these areas.

We have identified a go-to-market strategy that focuses on socialising consumers with the BreatheAssist™ product initially through the global sport equipment/apparel market.

This market of 'active participants' is defined as those who participate in sporting activity more than three times a week. In the US alone this amounts to more than 128 million consumers who participate in running, cycling, basketball and tennis. (*Source: Active Marketing Group, 2010*)

This entry market and commercial opportunity then sets the product for potentially significant growth in the sleep, snoring and allergy management markets.



Commercial Development

We are in commercial discussions with several companies in a range of areas across Consegna's portfolio. While these discussions are often lengthy and granular, rest assured our objective is to achieve the optimal outcome for shareholders.

Our model of taking late-stage technologies that have remained undervalued by others and putting them through our de-risking and value-adding process is extremely exciting to all involved. Any deal will serve to demonstrate the underlying value and opportunity of our diverse portfolio of technology assets.

As stated previously, our objective is to achieve commercial outcomes for all Consegna projects in the next 12 months.

In May we made the exciting announcement that Linguet™, the buccal (orodispersible) tablet delivery technology with increased drug load capacity, has been sold to ASX listed Imugene for 100 million IMU shares (pending shareholder approval). Mr Fabio Pannuti, Consegna's Managing Director, will join the board of Imugene as an Executive Director. Imugene will engage with the Consegna scientific team to assist in the development of the Linguet technology (through a services agreement).

We will continue to meet and educate investors about our company and the value of its portfolio of assets and their relevance to the significant strategic challenges that face our potential business partners.

Consumer Study

Consegna is currently undertaking a comprehensive consumer study looking at the issues of breathing during sport and exercise. The study that is being carried out in Australia, the UK and the USA, provides input into many necessary elements of the commercialisation process.

Consegna will continue to find opportunities to access our target market and to gain a thorough understanding of their perceptions and expectations of the device in each of its forms.

BreatheAssist Regulatory Update

Consegna has been advised that it has a clear path for sale and distribution of BreatheAssist™ Sport in the lucrative United States, European and Australian markets. BreatheAssist™ Sport falls outside the Food and Drug Administration (FDA) regulation in the United States, Medical Device Directive in the European Union and the Therapeutic Goods Acts 1989 in Australia.

This advice clears Consegna to access the Sports Performance Apparel Market estimated worldwide at US\$6.4bn with a comfortable and adjustable nasal dilator product that increases airflow for use in sports performance.



New Team Members

Since re-branding the Company in late-2011 we have made a couple of exciting personnel changes. Our new CTO Dr Nick Ede PhD and new CFO Andrew Ellem provide us with access to very real experience in realising value from technology assets. As the company continues to focus on unlocking the value in late stage technologies, this remains a core capability we are keen to build.

Dr Nick Ede PhD - Chief Technology Officer

Nick has a record of successfully evolving research concepts to commercial products and processes. He has over 25 years experience in drug discovery and international business development gained at Chiron, EqiTX, Mimotopes and Adistem. He holds a PhD from Monash University and Grad.Cert. in Innovation from Melbourne Business School. In addition, Dr. Ede has published over 50 scientific papers and patents.

Andrew Ellem CA - Chief Financial Officer

Andrew has recently joined Consegna and remains a Partner with Melbourne based accountancy firm MV Anderson & Co. He has been a partner in a variety of other firms for the last 16 years.

Andrew was also a principal in a small boutique merger and acquisition firm during the 1990's and his experience will be well utilised as CFO of Consegna Group Limited.
