



Annexure 3A

BSX Listing Rules

Half yearly/Yearly Disclosure

References Version 1, Operative 23/8/2000
Chapter 3, BSX Listing Rules

CAPILANO HONEY LIMITED

Name of entity

009 686 435

ABN, ACN or ARBN

Half yearly (tick)

Annual (tick)

30 JUNE 2005

~~Half year~~ /financial year ended
(‘Current period’)

Summary

				\$A,000
Sales revenue or operating revenue	up /down	7.3 %	to	79,734
Profit (loss) before abnormal items and after tax	up /down	4,179 %	to	(1,795)
Abnormal items before tax		gain (loss) of		-
Profit (loss) after tax but before outside equity interests	up /down	4,179 %	to	(1,795)
Extraordinary items after tax attributable to members		Gain (loss) of		-
Profit (loss) for the period attributable to members	up /down	4,179 %	to	(1,795)
Dividends (distributions)	Franking rate applicable	100%		
Current period	Final	-		
	Interim	-		
Previous corresponding period	Final	-		
	Interim	-		
Record date for determining entitlements to the dividend, (in the case of a trust distribution)	N/A			

Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:

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Half Yearly/Yearly Disclosure

Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	79,734	86,002
Expenses from ordinary activities	(80,114)	(83,951)
Borrowing costs	(1,996)	(1,746)
Share of net profit (loss) of associates and joint venture entities	(171)	(286)
Profit (loss) from ordinary activities before tax	(2,547)	19
Income tax on ordinary activities	752	25
Profit (loss) from ordinary activities after tax	(1,795)	44
Outside equity interests	-	-
Profit (loss) from ordinary activities after tax attributable to members	(1,795)	44
Profit (loss) from extraordinary activities after tax attributable to members	-	-
Profit (loss) for the period attributable to members	(1,795)	44
Retained profits (accumulated losses) at the beginning of the financial period	14,156	14,368
Net transfers to and from reserves	4,238	-
Net effect of changes in accounting policies	-	-
Dividends paid or payable	(2)	(256)
Retained profits (accumulated losses) at end of financial period	16,597	14,156

Profit restated to exclude amortisation of goodwill

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	(1,795)	44
Less (plus) outside equity interests	-	-
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	(1,795)	44

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Revenue and expenses from operating activities

Details of revenue and expenses	Current period \$A'000	Previous corresponding period \$A'000
REVENUE		
Sales Revenue	79,395	83,848
Net Foreign Exchange Gain	89	1,738
Interest Received	209	214
Other	41	202
	79,734	86,002
EXPENSES		
Raw material and consumables	52,994	61,312
Change in inventories of finished goods and work in progress	1,335	741
Employee benefits	8,674	7,846
Depreciation of property, plant & equipment	1,814	1,564
Amortisation of intangibles	167	128
Transportation costs	1,754	1,635
Marketing & Promotion	8,652	6,043
Other	4,724	4,682
	80,114	83,951

Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	-	-	-
Amortisation of other intangibles	167	-	167
Total amortisation of intangibles	167	-	167
Extraordinary items (details)	-	-	-
Total extraordinary items	-	-	-

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Comparison of half year profits
(Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	(1,020)	1,680
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	(775)	(1,636)

Consolidated balance sheet

Current assets	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	1,037	3,343	-
Receivable	9,868	11,547	10,735
Investments	-	-	-
Inventories	24,599	26,552	26,964
Other (provide details if material)	1,203	806	1,021
Total current assets	36,707	42,248	38,720
Non-current assets			
Receivables	2,159	2,030	2,187
Investments	-	173	-
Inventories	-	-	-
Other property, plant and equipment (net)	22,006	18,117	18,612
Intangibles (net)	1,524	896	833
Other – Deferred Tax Assets	3,487	2,736	3,006
Total non-current assets	29,176	23,952	24,638
Total assets	65,883	66,200	63,358
Current liabilities			
Accounts payable	8,323	7,724	9,243
Borrowings	4,069	4,188	4,692
Provisions	637	1,054	437
Other	-	-	-
Total current liabilities	13,029	12,966	14,372

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Non-current liabilities			
Accounts payable	-	-	-
Borrowings	26,499	28,589	25,264
Provisions	581	505	601
Other (provide details if material)	-	-	-
Total non-current liabilities	27,080	29,094	25,865
Total liabilities	40,109	42,060	40,237
Net assets	25,774	24,140	23,121
Equity			
Capital	5,284	5,287	5,287
Reserves	3,893	4,697	4,699
Retained profits (accumulated losses)	16,597	14,156	13,135
Equity attributable to members of the parent entity	-	-	
Outside equity interests in controlled entities	-	-	
Total equity	25,774	24,140	23,121
Preference capital and related premium included	-	-	-

Consolidated statement of cash flows

Cash flows related to operating activities	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	81,148	87,411
Payments to suppliers and employees	(78,057)	(89,166)
Dividends received	-	-
Interest and other items of similar nature received	209	214
Interest and other costs of finance paid	(1,696)	(1,414)
Income taxes paid	-	-
Other (provide details if material)	1,503	1,324
Net operating cash flows	3,107	(1,631)

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Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(2,275)	(1,437)
Proceeds from sale of property, plant and equipment	12	23
Payment for purchases of equity investments	-	(480)
Proceeds from sale of equity investments	-	-
Loans to other entities	(34)	(1,694)
Loans repaid by other entities	151	61
Other – purchase of intangible assets	(795)	-
Net investing cash flows	(2,941)	(3,527)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)		
Proceeds from borrowings	353	12,305
Repayment of borrowings	(2,567)	(6,472)
Dividends paid	(258)	(1,026)
Other (provide details if material)		
Net financing cash flows	(2,472)	4,807
Net increase (decrease) in cash held	(2,306)	(351)
Cash at beginning of period (see Reconciliation of cash)	3,343	3,694
Exchange rate adjustments		
Cash at end of period (see Reconciliation of cash)	1,037	3,343

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

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Reconciliation of cash

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

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	1,037	3,343
Deposits at call	-	-
Bank overdraft	-	-
Other (provide details)	-	-
Total cash at end of period	1,037	3,343

Ratios

	Current period	Previous corresponding period
Profit before tax/sales		
Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	(3.19%)	0.02%
Profit after tax/equity interests		
Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	(6.96%)	0.2%

Earnings per security (EPS)

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	(35.0) ¢	0.8¢
(b) Diluted EPS (if materially different from (a))	(35.0) ¢	0.8¢

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$4.73	\$4.53

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Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period A\$'000
Interest revenue included	208	214
Interest revenue included but not yet received (if material)	-	-
Interest costs excluded from borrowing costs capitalised in asset values	-	-
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)		-
Depreciation (excluding amortisation of intangibles)	1,813	1,564
Other – Employee Entitlements	129	145
Other – Research & Development	186	177

Control gained over entities having material effect

Name of entity		
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired	\$	
Date from which such profit has been calculated		
Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period	\$	

Loss of control of entities having material effect

Name of entity		
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control	\$	
Date from which the profit (loss) has been calculated		
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period	\$	
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$	

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Dividends

Date the dividend is payable

-

Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

-

Amount per security

		<i>Franking rate applicable</i>	%	%	%
<i>(annual report only)</i>					
Final dividend:	Current year	- ¢	N/A	¢	N/A
	Previous year	- ¢	¢	¢	¢
<i>(Half yearly and annual statements)</i>					
Interim dividend:	Current year	- ¢	N/A	¢	N/A
	Previous year	- ¢	¢	¢	¢

Total annual dividend (distribution) per security
(Annual statement only)

	Current year	Previous year
Ordinary securities	- ¢	5¢
Preference securities	- ¢	- ¢

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$-	\$256
Preference securities	\$-	\$-
Total	\$-	\$256

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Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$-	\$-
Preference securities	\$-	\$-
Total	\$-	\$-

The dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices to the dividend or distribution plans

Any other disclosures in relation to dividends (distributions)

Equity accounted associated entities and other material interests

Equity accounting information attributable to the to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Entities share of:	Current period A\$'000	Previous corresponding period A\$'000
Profit (loss) from ordinary activities before tax.	(260)	(413)
Income tax	89	127
Profit (loss) from ordinary activities after tax	(171)	(286)
Extraordinary items net of tax	-	-
Net profit (loss)	(171)	(286)
Outside equity interests	-	-
Net profit (loss) attributable to members	(171)	(286)

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Material interests in entities which are not controlled entities

The entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
Equity accounted associates and joint venture entities				
Capilano Labonte Inc	50%	50%	(171)	(286)
Total			(171)	(286)
Other material interests	-	-	-	-
Total			-	-

Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of securities	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
Preference securities (description)				
Changes during current period				
Ordinary securities	5,128,791	5,128,790	103	103
Changes during current period	28	28	568	568
Convertible debt securities (description and conversion factor)				
Changes during current period				

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			Exercise price	Expiry date
Options (<i>description and conversion factor</i>)				
Changes during current period				
Exercised during current period				
Expired during current period				
Debentures				
Unsecured Notes				

Discontinuing Operations

Consolidated profit and loss account

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue						
Other revenue						
Expenses from ordinary activities						
Profit (loss) before tax						
Less tax						
Profit (loss) from ordinary activities after tax						

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Consolidated statement of cash flows

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows						
Net investing cash flows						
Net financing cash flows						

Other disclosures

	Current period A\$'000	Previous corresponding period A\$'000
Carrying amount of items to be disposed of:		
- total assets		
- total liabilities		
Profit (loss) on disposal of assets or settlement of liabilities		
Related tax		
Net profit (loss) on discontinuance		

Description of disposals

Comments by *directors*

Basis of accounts preparation

If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

The major factors contributing to the loss for the year were:

- higher than forecast receivals of honey
- lower sales volumes on the domestic retail market and conversely higher sales volumes on the export bulk market
- a dramatic fall in world selling prices resulting in an erosion of export bulk margins and pressure on pricing in other categories
- the high value of honey on hand at 30 June 2004 resulting in higher cost of goods sold in 2005 (including inventory valuation decrements)
- delays in achieving the Medihoney sales volumes

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

N/A

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Franking credits available are \$2,606,484.
It is likely that a dividend will be paid next year. If so, the dividend will be fully franked.

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

Land and Buildings are now valued at Fair Value which represents a change in accounting policy from Deemed Cost in the prior year. The revaluation increment was \$3.4 million.

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

N/A

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Additional disclosure for trusts

Number of units held by the management company or responsible entity to their related parties.

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A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
- Management fees
- Other fees

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Annual meeting

(Annual statement only)

The annual meeting will be held as follows:

Place

THE SEBEL KIRKTON PARK 336 OAKY CREEK ROAD POKOLBIN, HUNTER VALLEY, NSW

Date

7 OCTOBER 2005

Time

10.00AM

Approximate date the annual report will be available

7 SEPTEMBER 2005

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are followed as compared with the most recent annual accounts.
- 4 This statement does give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:
(Tick one)



The financial statements have been audited.



The financial statements have been subject to review by a registered auditor (or overseas equivalent).




The financial statements are in the process of being audited or subject to review.



The financial statements have *not* yet been audited or reviewed.

- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*).
- 7 The entity has a formally constituted audit committee.



Sign here: Date: 19 AUGUST 2005
(~~Director~~ Company secretary)

Print name: ERROL J BAILEY

Notes

True and fair view If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

Income tax If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

Additional information An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.