



CAPILANO

Honey Limited

ABN 55 009 686 435

2 May 2006

Dear Shareholders

Re: District Visits

I would like to remind you all that we have a series of District Visits planned from 8th to 12th May in various locations. These meetings are properly constituted meetings of the Company and have been arranged at considerable expense and effort to allow shareholders to gain information and to raise issues they may have with the Board and Management.

I urge all shareholders to take the opportunity to attend a District meeting near them to get the most up-to-date information about Capilano's performance and the factors influencing the business at this time. These meetings are designed to allow the presentation of information and for feedback and questioning from shareholders. We also stay on to enjoy a meal with all those attending, which allows more personal communication for those who are more comfortable to discuss issues in that way.

Recent meetings that have been organised by a group of individuals calling themselves 'Friends of Capilano' or 'Concerned Shareholders' are not an alternative to properly constituted meetings conducted by Capilano which reflect our obligation under Corporation Law, and have enormous potential for misinformation and damage. They have made no effort to gain information from the Company about our operation and appear more interested in reacting to rumours and propaganda promoted by our competitors.

Some individuals amongst the group have even contacted selected Capilano staff and suggested to them that they will still have a job and at what salary, when 'we' take control.

This sort of behaviour has the effect of destroying the morale and confidence of all our staff and is very damaging to the long term viability of our Company.

While we welcome input, opinion and questioning from shareholders, this needs to occur in a forum of two-way communication where all the facts are presented, enabling a clear understanding of all factors affecting the production and marketing of honey.

Please take advantage of this invitation to all shareholders to be updated with current information and put forward your thoughts about our business in an environment of co-operation.

Yours faithfully

CAPILANO HONEY LIMITED

T R Morgan
Chairman



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District visits 2006

A series of visits by Beekeeper Directors and Management will be held for Capilano shareholders and will consist of a brief presentation followed by discussions.

Tea & coffee will be available on arrival, and shareholders and their partners are invited to dinner afterwards.

Items for discussion will include: • Honey supply & pricing • Marketing & Export Activities • Medihoney

Location	Date	Time	Venue
NEW SOUTH WALES			
Bathurst	8th May 2006	4.00pm – 6.00pm	Bathurst RSL Club, 114 Rankin Street
Glen Innes	10th May 2006	4.00pm – 6.00pm	New England Club, 98 West Avenue
Kempsey	11th May 2006	4.00pm – 6.00pm	Heights Bowling Club, 10 Polwood Street
Lismore	12th May 2006	4.00pm – 6.00pm	Lismore Workers Club, 231 Keen Street
Tamworth	9th May 2006	4.00pm – 6.00pm	Tamworth Services Club, 199 Marius Street
Taree	10th May 2006	4.00pm – 6.00pm	Island Traders, Cnr Victoria & Macquarie Streets
Yass	9th May 2006	4.00pm – 6.00pm	Yass Soldiers Club, Meehan Street
QUEENSLAND			
Gympie	12th May 2006	4.00pm – 6.00pm	Gympie RSL Club, 217 Mary Street
Warwick	11th May 2006	4.00pm – 6.00pm	Warwick RSL, Cnr Albion & King
VICTORIA			
Maryborough	8th May 2006	4.00pm – 6.00pm	Maryborough Golf Club, Park Road
SOUTH AUSTRALIA			
Keith	11th May 2006	4.00pm – 6.00pm	Keith Motor Inn
Nuriootpa	12th May 2006	4.00pm – 6.00pm	Nuriootpa Vine Inn, 14 Murray Street