



## MARKET RELEASE

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The Board of Capilano Honey Limited ('Capilano') has been assisting the Board of its wholly owned subsidiary, Medihoney Pty Ltd in exploring opportunities for a potential private equity investment in Medihoney Pty Ltd ('Medihoney'). Ernst & Young [transaction services] has been engaged by the Board of Medihoney to provide advice in regard to valuation issues, and likely investment partners.

The purpose of a proposed fundraising is to provide Medihoney with additional working capital to explore market opportunities, particularly overseas. As a consequence of the fundraising Medihoney would no longer be a 100% owned subsidiary.

Pricing of the new issue of Medihoney shares has not yet been resolved but the Capilano Board considers that the valuation adopted may be a material uplift to the carrying value of Medihoney's investment in Capilano's accounts.

Shareholders of Capilano will be advised further once the final structure of the proposed fundraising has been resolved.

A handwritten signature in black ink, appearing to read "E J Bailey". The signature is written in a cursive style with a horizontal line underneath.

E J Bailey  
Company Secretary