



NON EXECUTIVE INDEPENDANT DIRECTOR

As previously advised on 8 May 2006, Simon Tregoning has been appointed as the incoming Independent Director from 1 July 2006 to replace Warwick Wilshire who retires as Independent Director. Simon is currently a Director on the Boards of Australian Cooperative Foods (Dairy Farmers), St Luke's Hospital Complex and is Chairman, Canberra Chilled Foods. He was previously Executive Director, Kimberley-Clarke Asia Pacific.

He has relevant experience in the fast-moving consumer goods area, which is where Capilano's products sit, in addition to food processing and distribution experience. He is also experienced in the dynamics of a supplier founded agribusiness company through his Dairy Farmers involvement.

The Capilano Board welcomes Simon to this position and looks forward to his contribution towards the growth of the Company.

A handwritten signature in black ink that reads 'T R Morgan'.

T R Morgan

Chairman