



capilano news



Newsletter of **Capilano Honey Limited** - March 07 - CHL 214

Snackabouts with CAPILANO HONEY



Kids lunch boxes just became a whole lot more healthy and exciting, thanks to Kraft Snackabouts with Pure Capilano Honey.

Market research consistently shows companies who continue to grow and do well within the food industry lead by having innovative products. Top of our list of priorities within our marketing program is maintaining our leadership position in the honey category and staying ahead of the competition and Private Label through innovation – in products and packaging.

A snack solution has been part of our product development program for some time. Many options have been explored through the research and development phase. To

achieve the best outcome from an operational, financial and marketing position a co-branding opportunity with Kraft was pursued in order to deliver a honey snack solution.

We are pleased to announce that the new Kraft Snackabouts with Pure Capilano Honey will be available from 12 March 2007 in Coles, Woolworths/Safeway and independent stores. As part of the launch Kraft has organised a range of promotional activities including: catalogue support, demonstrations, off location displays and shelf talkers. Kraft will also continue to promote Snackabouts through television and magazine.

This exciting initiative introduces honey to a whole new generation and will provide the Capilano brand with a new shelf presence in parts of the supermarket outside of the spreads section. Capilano will be placing lid stickers on all our jars in the coming months together with promoting Snackabouts with Pure Capilano Honey on our web site.



Sponsorship Announcement

Capilano and Steve Irwin Worldwide



Marketing alliances are very powerful in communicating messages to consumers, driving product sales and growing brand loyalty. They can also be effective in raising awareness and valuable funds for a worthy cause.

Our marketing alliances at Capilano are aimed at opening up new markets and encouraging honey use by a wider audience. We have also been focused on establishing an alliance which will send an environmental message out to the market. Why? Because without Australian forests and natural habitat, there will be no Australian honey.

Early last year we began discussions with Steve Irwin and his manager John Stainton in relation to a marketing alliance which could be of mutual benefit to Capilano Honey and the

Australia Zoo Wildlife Warriors Worldwide foundation.

Along with many Australians and others around the world we mourned the passing of the original Wildlife Warrior, Steven Irwin, in September last year. Fortunately Terry Irwin, John Stainton and their supporters are continuing Steve's work and we are excited to confirm that Capilano now has a formal marketing alliance in support of Australia Zoo, Wildlife Warriors and the Irwin family.

"Steve grew up on Capilano Honey and not only believed in the natural qualities of the product but also admired the company as a great Australian brand. He was wholeheartedly enthusiastic about joining forces with Capilano to promote honey to the world", said John Stainton.

There are some exciting joint marketing promotions in the planning stages for the second half of the year and we look forward to keeping you informed.



Exciting launch into USA market

In April this year Capilano Honey will launch into our 47th export market – the USA. The initial test market launch will be in the region of New England. Shaw's Supermarket and Haneford Brothers will be the first two supermarkets to range Capilano Honey.

History has shown that Americans have a love affair with all things Australian. With this in mind the focus of our packaging and launch will be on an Australian theme. The launch will include demonstrations, recipe cards and information about our

wonderful honey.

Three delicious floral honeys will be launched into the American market, these are: Bush, Coastal and Outback. The three flavours are quite diverse with Aussie Bush honey being a light amber coloured honey which has a medium density and good flavour. The Capilano Outback honey has a strong flavour and is dark in colour. Coastal honey is a soft or mild tasting honey which has been specially created for the US market to accommodate American taste buds.

Japanese film crew

A recent visit to Australia saw a Japanese film crew visit Capilano's packing facility in Brisbane and a major hospital in Brisbane that uses Medihoney. The next day they travelled to Northern NSW to view leptospermum plants, bees and an extraction facility. They then travelled to Coffs Harbour to film native bees. The crew travelled on to Tasmania for the Leatherwood crop and over to Kangaroo Island before heading back to Japan. They have been very well cared for by Australian beekeepers during their visit.



The Japanese production crew led by Director, Yoshitaka Kimura getting in close to a beehive. Ron Betteridge seen here indicating the presence of the queen.

Substantial Shareholder Information

Many shareholders would be aware from the Bendigo Stock Exchange website that the Company received a 'Notice of Initial Substantial Holder' from the Guinness Peat Group plc & its subsidiaries ('GPG') on 2 February 2007. This notice acknowledged GPG's beneficial holding of 260,477 Ordinary shares and a voting power of 5.07% in Capilano Honey Limited ('CHL').

The registered holder of these securities is Berne No.132 Nominees Pty Ltd ('Berne') which has acquired the shares over a period of time in the normal course of trading on the BSX. The beneficial holder of these securities is GPG Nominees Pty Ltd, which is a subsidiary company of the Guinness Peat Group plc ('GPG').

The Corporations Act requires that a shareholder must lodge a Form 603 'Notice of Initial Substantial Holder' once they acquire a 'substantial holding' - an interest in 5% or more of the total number of votes in a listed company. The same information is also required to be provided where there is movement of at least 1% in the holding of that substantial holder.

Since the Notice of Initial Substantial Holder was received there have been further trades on the BSX which now see

Berne/GPG as the holder of 305,768 CAP shares (as at 26/02/07), representing 5.94% of the total shares in CHL.

GPG Nominees Pty Ltd has its principal place of business at Level 41 Gateway, 1 Macquarie Place, Sydney. Its current directors are listed as

Graeme James Cureton

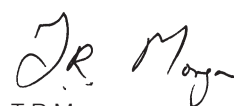
Gary Hilton Weiss

Sir Ronald Alfred Brierley

Robert Bruce MacLean

GPG has investments in a diverse range of companies including other food companies such as Greens Foods.

The Board has no further information, other than GPG's comment to the Board when contacted that CHL shares represent good value at the price they are currently trading on the BSX share market.



T R Morgan
Chairman