



Capilano Honey Limited Update on Full Year Expectations

Further to our release dated 9 February 2007 we advise that parent company results, while downgraded, are expected to be profitable, but that the Group profit expectations, including Medihoney, are for a loss for the year ending 30 June 2007.

The factors contributing to that result are:

- Switch from branded to private label products
- Foreign exchange rate movement affecting export returns
- Increased cost of honey to secure supply as drought extends
- Continued high market entry and distribution costs for the Medihoney business.

The company is required to declare its intention regarding a dividend prior to year end.

At a Board Meeting held on the 22nd June 2007 the Board resolved that no dividend be paid for the year ending 30 June 2007.

A handwritten signature in black ink, appearing to read 'R D Masters', is positioned above the printed name.

R D Masters
Managing Director

For further information:

Company Secretary	- Errol Bailey, Capilano Honey Limited 07) 3712 8282
Financial Controller	- Richard Rivalland, Capilano Honey Limited 07) 3712 8282