

MINUTES OF MEETING

Minutes of Annual General Meeting ("AGM") held at the Crowne Plaza Royal Pines Resort,
Gold Coast, Queensland on Friday, 5 October 2007.

PRESENT (AGM 466)

Directors: Trevor Morgan (Chairman), Ian Cane (Deputy Chairman), Roger Masters (Managing Director), Phillip McHugh, Rosemary Doherty, Peter Barnes, Bernard Ballantyne and Simon Tregoning.

Staff by Invitation: Errol Bailey (*Company Secretary*), Richard Rivalland (*Financial Controller*), Andrew Bond, (*Group Commercial Manager*), Peter McDonald (*General Manager - International Business*), Ben McKee (*Group Operations Manager*), Glenn Parnaby (*National Sales Manager*) Bill Winner (*Beekeeper Services Manager*), Carolyn Bryce (*Shareholder Services*), Lynne De-Roule (*Beekeeper Administrator*) and Annette Zbasnik (*Corporate Secretary*).

Shareholders: 43 members & partners, as per attendance register.

OPENING & WELCOME (AGM 467)

Mr Morgan opened the meeting at 1.30pm and welcomed those present.

He also welcomed professional business advisors to the Capilano Group - Brett Heading, of McCullough Robertson, Lawyers and John Feddema and Junaide Latif of Cranstoun & Hussein.

IN MEMORIAM (AGM 468)

At the request of the Chairman, the meeting observed a minute's silence in remembrance of those shareholders who had passed away since the last meeting.

APOLOGIES (AGM 469)

The Chairman called for apologies from those shareholders unable to attend and these were received from Brett & Lynda Lutze, Rob & Gloria Wilkinson, Mike & Marlene Nelson, Graham & Karen Baker, Stephen & Eliza McGrath, Craig & Theresa Klingner, Philip Elliott, Laurie & Paula Dewar, Robert Dewar, Darryl & Nadine Mann, Joshua & Katherine Kennett, David Maloney, Alan Stratton, Jack Percival, David & Karen Roots, Michael & Helen Mills, and and Tim, Peter, Jack & Megan Alt.

DECLARATION OF POLL (AGM 470)

The Chairman referred to the explanatory note accompanying the proxy forms forwarded to shareholders, and declared that voting on the resolution dealing with the Remuneration Report would be by poll.

Tellers

On a motion moved by Barry Pobke and seconded by Monte Klingner it was resolved that Annette Zbasnik and Carolyn Bryce be appointed to count the votes.

Voting Slips

On a motion moved by Roy Barnes and seconded by Arnold Berkin, it was resolved that all voting slips and associated computer records be destroyed once they were counted and the poll declared.

Proxies held by directors and management

The Chairman advised the following details of proxies received by directors and management.

	Proxies received by Directors	Votes Available	Proxies received by Management	Votes Available
Voted on all Resolutions	13	78,611	0	0
Voted on some Resolutions	0	0	0	0
Not voted in any way	1	3,840	1	17,413
TOTAL PROXIES RECEIVED	14	82,451	1	17,413

FINANCIAL & STATUTORY REPORTS (AGM 471)

The Chairman then moved to the next item on the Agenda, that being the Directors' Report, Financial Statements and the Report of the Auditor for the year ended 30 June 2007.

Following is an extract of his Report tabled to the meeting:

"Overview of Results

It is pleasing to report a Net Profit after Tax of \$1.9 million for the group, despite the intense competition in the market place and unfavourable exchange rates during the year.

Current accounting standards require that for a dividend to be paid it must be accounted for in the same year. Since the final result was unclear until the sale of Medihoney was finalised on 30th June no dividend was declared.

Capilano and its suppliers began the year with the expectation of higher levels of production than those of recent years impacted by drought conditions. While this may have occurred for a few fortunate suppliers there was less honey produced locally than expected. The average price paid for quota honey was \$2.20 per kilogram for the year, an increase of 20¢ per kilogram over the previous year and it reflects the lower than expected production level.

Sale of Medihoney

The sale of Medihoney on 30 June 2007 resolved the capital raising objective previously advised to shareholders regarding the continued development of the Medihoney business. Despite its potential and good revenue growth over the period, this development has impacted our financial resources and overall group results. In recognition of this and our acknowledgement of the need for significant further investment to develop the business to its full potential, your Board considered the future of the Medihoney business and Capilano shareholders was best served by the sale of the business.

Medihoney was sold to Comvita Limited, a New Zealand company which specialise in the medical honey field, for an amount recovering our investment.

The combined resources of Medihoney and Comvita will enable the development of the medical honey business to its full potential. The sale price included the issue of 1,560,765 ordinary Comvita shares to Capilano representing approximately 8% of the issued ordinary shares in Comvita at the time of sale. This provides the opportunity for Capilano shareholders to share in the future success of the medical honey business.

Challenges

The challenges and changes continue in the Australian market place.

The biggest impact on our business and the honey industry as a whole has been the transfer of profit from packers to the two major supermarkets as a result of their push to capture a greater share of the market for their own private label brands and the emergence of one supermarket devoted exclusively to private label. We now have a situation where our largest customers are also our largest competitors. This has seen a significant reduction in the contribution to company profits from this area of our business.

In respect of our overseas markets, the major factor affecting our returns for this year has been the considerable increase in the value of the Australian dollar against other currencies, particularly the \$US. This has made all overseas business less profitable this year.

Future Prospects

While Capilano has been very successful in the past at introducing innovative and interesting new packaging for its honey products that have been well received by customers, it has not taken long for other packers and marketers including the supermarket's own brands, to copy our new innovations.

The introduction of new packaging and labelling for our upside down range of packs will again differentiate our products from the others on the supermarket shelves. These combined with a new consumer friendly and convenient pack, soon to be released, should attract a whole new user group to honey. These packaging initiatives along with marketing initiatives outlined below will go along way to re-energising our brand and creating renewed interest in the honey category.

Capilano's increasing presence in overseas markets is planned to continue and will contribute to future revenue and profit growth. The likelihood of success has been enhanced through the investment in our Canadian joint venture, Capilano Labonte Inc. (CLI), and a significant consumer market share has been built in Canada in a short period of time as a result. Strong relationships have been forged with our Canadian customers and our reliability in supplying supermarkets with innovative, quality products has underpinned our success.

The marketing alliances we have in place with Australia Zoo, Wildlife Warriors and the family of Steve Irwin, together with our marketing sponsorship for the upcoming 'Bee Movie' from DreamWorks, will assist greatly in building brand recognition in our markets and in particular the North American market.

The contribution to profit from our Joint Venture in Argentina with HoneyMax is expected to continue growing enhancing our ability to supply blends to our industrial customers' needs worldwide. This facility is also critical to ensuring continued security of supply to our customers regardless of local Australian climatic conditions.

Acknowledgements

The Board is appreciative of our supplier shareholders who continue to produce a very high quality product for the company to market. This has occurred despite some severe adverse weather conditions for an extended period that have made it very difficult for them. The combination of bushfires and floods in other areas has tested the endurance of some of our suppliers.

The importance of good Quality Assurance systems, both at factory and supplier level can never be underestimated in ensuring our ability to be a successful marketer of a high quality product. Those suppliers who have already embraced a program such as B-Qual are to be congratulated. Other suppliers need to consider the benefits and I encourage them to implement such a program as soon as possible.

The Board has worked well together during the last year in what has been a challenging and difficult year for them. I thank them for their commitment and dedication to Capilano.

I would also like to thank all our staff and management for their considerable efforts during the last year."

He then invited shareholders to raise any issues they would like discussed from the CHL Annual Report, and also direct any questions to the Auditor, noting that these questions may only relate to the Conduct of the Audit or the Audit Report.

ELECTION OF DIRECTORS (AGM 472)

The Chairman then advised that at the CBL AGM on 5 October 2007 Mr Phillip McHugh and Mr Peter Barnes were elected directors of that company, and in accordance with the Constitution were automatically appointed directors of CHL.

REMUNERATION REPORT (AGM 473)

The Chairman advised that at the CBL AGM, shareholders had resolved to support the recommendation to adopt the Remuneration Report included in the Annual Report. Accordingly he advised that the Foundation Share would be voted in favour of this resolution.

Mr Ian Cane then moved that the Remuneration Report be adopted in accordance with the details appearing in the Notice of Meeting.

Mr Phillip McHugh then seconded the motion.

There being no questions or comments from shareholders, the Chairman asked them to vote on the ballot papers provided.

Adjournment - Counting Of Votes

The Chairman formally adjourned the meeting at 1.55pm for the counting of votes.

Resumption

The Chairman then reconvened the meeting at 2.05pm.

RESULTS OF POLL – REMUNERATION REPORT (AGM 474)

At the invitation of the Chairman, the Secretary reported the results of the poll as follows:

IN FAVOUR of the motion	: 376,964
AGAINST the motion	: 187,113

The Chairman advised accordingly that the motion was passed.

CLOSURE (AGM 475)

There being no other business relating to the Annual General Meeting, the Chairman thanked shareholders for their attendance and attention to business and he then closed the meeting at 2.10pm.
