



## Capilano Honey Limited Update on Full Year Expectations

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Further to our releases dated 27 February 2008 and 16 June 2008 we advise that Capilano Honey Limited (CHL) expects to record a loss for the year ending 30 June 2008.

Although CHL's expense reduction plan has been according to previous indications and our brand share has consolidated, we continue to be affected by the following:

- Drought producing a record scarcity of honey prompting higher local buying prices.
- Import substitution required in order to maintain existing export and some local market segments
- Foreign exchange rate movement to record highs further affecting export returns
- Changes in sales mix as the market moves to a higher share of private label products

As a result, the Board has resolved that no dividend be paid for the year ending 30 June 2008.

The Board is investigating feasible ways to further decrease the cost structure of the company in view of the longer term changes of our trading environment.

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:

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