



Annexure 3A

BSX Listing Rules

Half yearly/Yearly Disclosure

References

Version 1, Operative 23/8/2000

Chapter 3, BSX Listing Rules

Capilano Honey Limited			
Name of entity			
009 686 435	Half yearly (tick)	<input type="checkbox"/>	30 June 2008
ABN, ACN or ARBN	Annual (tick)	<input checked="" type="checkbox"/>	Half year/financial year ended ('Current period')

Summary

				\$A,000
Sales revenue or operating revenue	up /down	12.2%		64,177
Profit (loss) before abnormal items and after tax	up /down	497.2%		(7,448)
Abnormal items before tax		Gain (loss) of		-
Profit (loss) after tax but before outside equity interests	up /down	497.2%	to	(7,448)
Extraordinary items after tax attributable to members		Gain (loss) of		-
Profit (loss) for the period attributable to members	up /down	497.2%	to	(7,448)
Dividends (distributions)	Franking rate applicable	100%		
Current period	Final	-		
	Interim	-		
Previous corresponding period	Final	-		
	Interim	-		
Record date for determining entitlements to the dividend, (in the case of a trust distribution)	Not applicable			

Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:

Not applicable

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Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	64,177	73,087
Expenses from ordinary activities	(70,832)	(69,189)
Borrowing costs	(2,440)	(1,972)
Share of net profit (loss) of associates and joint venture entities	-	-
(Loss) / profit from ordinary activities before tax	(9,095)	1,926
Income tax on ordinary activities	1,647	(51)
(Loss) / profit from ordinary activities after tax	(7,448)	1,875
Outside equity interests	-	-
(Loss) / profit from ordinary activities after tax attributable to members	(7,448)	1,875
(Loss) / profit from extraordinary activities after tax attributable to members	-	-
(Loss) / profit for the period attributable to members	(7,448)	1,875
Retained profits at the beginning of the financial period	19,982	18,163
Net transfers to and from reserves	-	(56)
Net effect of changes in accounting policies	-	-
Dividends paid or payable	-	-
Retained profits at end of financial period	12,534	19,982

Profit restated to exclude amortisation of goodwill

	Current period \$A'000	Previous corresponding period \$A'000
(Loss) / profit from ordinary activities after tax before outside equity interests and amortisation of goodwill	(7,448)	1,875
Less (plus) outside equity interests	-	-
Profit from ordinary activities after tax (before amortisation of goodwill) attributable to members	(7,448)	1,875

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Revenue and expenses from operating activities

Revenue	Current period \$A'000	Previous corresponding period \$A'000
Sales Revenue	63,806	68,990
Net Foreign Exchange Gain	-	-
Interest Received	300	271
Gain on disposal of controlled entity	-	3,816
Other	71	10
	64,177	73,087
Expenses		
Raw Materials and Consumables	39,053	39,629
Impairment of non current investment	3,641	-
Employee Benefits	7,567	10,152
Depreciation of property, plant and equipment	3,733	2,167
Amortisation of intangibles	259	135
Transportation costs	2,275	2,597
Marketing and promotion	7,404	6,873
Factory costs	1,694	1,849
Foreign Exchange losses	843	469
Other	4,363	5,318
	70,832	69,189

Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	-	-	-
Amortisation of other intangibles	259	78	181
Total amortisation of intangibles	259	78	181
Extraordinary items (details)	-	-	-
Total extraordinary items	-	-	-

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Comparison of half year profits
(Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated (loss) profit from ordinary activities after tax attributable to members reported for the 1st half year	(1,355)	(814)
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	(6,093)	2,689

Consolidated balance sheet

Current assets	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	1,313	296	421
Receivables	11,459	16,953	12,126
Investments	-	-	-
Inventories	17,421	23,376	15,535
Other (provide details if material)	343	956	1,075
Total current assets	30,536	41,581	29,157
Non-current assets			
Receivables	-	3,195	5,336
Investments	1,858	-	3,724
Inventories	-	-	-
Other property, plant and equipment (net)	19,592	20,543	20,013
Intangibles (net)	5,480	497	434
Deferred Tax Asset	3,758	1,583	2,165
Total non-current assets	30,688	25,818	31,672
Total assets	61,224	67,399	60,829
Current liabilities			
Accounts payable	7,582	9,209	5,388
Borrowings	2,129	2,395	3,233
Provisions	-	-	-
Other (provide details if material)	-	-	-
Total current liabilities	9,711	11,604	8,621

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Consolidated balance sheet (continued)

Non-current liabilities			
Accounts payable	-	-	-
Borrowings	28,929	27,091	26,663
Provisions	408	605	578
Other (provide details if material)	-	-	-
Total non-current liabilities	29,337	27,696	27,241
Total liabilities	39,048	39,300	35,862
Net assets	22,176	28,099	24,967
Equity			
Capital	5,367	5,367	5,367
Reserves	4,276	2,750	974
Retained profits (accumulated losses)	12,533	19,982	18,626
Equity attributable to members of the parent entity		-	-
Outside equity interests in controlled entities		-	-
Total equity	22,176	28,099	24,967
Preference capital and related premium included	-	-	-

Consolidated statement of cash flows

Cash flows related to operating activities	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	64,714	70,478
Payments to suppliers and employees	(62,698)	(70,422)
Dividends received	-	-
Interest and other items of similar nature received	300	271
Interest and other costs of finance paid	(2,104)	(1,636)
Income taxes paid	-	-
GST received	1,448	1,458
Net operating cash flows	1,660	149

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Consolidated statement of cash flows (continued)

Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(971)	(1,458)
Proceeds from sale of property, plant and equipment	4	2
Payment for purchases of equity investments	(5,500)	-
Proceeds from sale of equity investments	6,000	-
Loans to other entities	(2,019)	902
Loans repaid by other entities	265	166
Other (provide details if material)	(133)	(27)
Net investing cash flows	(2,354)	(415)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	-	60
Proceeds from borrowings	1,084	577
Repayment of borrowings	-	-
Dividends paid	-	(258)
Other (provide details if material)	-	-
Net financing cash flows	1,084	379
Net increase (decrease) in cash held	390	113
Cash at beginning of period (see Reconciliation of cash)	296	183
Cash acquired on purchase of controlled entity	627	-
Exchange rate adjustments	-	-
Cash at end of period (see Reconciliation of cash)	1,313	296

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

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Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	1,313	296
Deposits at call	-	-
Bank overdraft	-	-
Other (provide details)	-	-
Total cash at end of period	1,313	296

Ratios

Profit before tax/sales

Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue

Current period

Previous
corresponding period

-14.2%	2.8%
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Profit after tax/equity interests

Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period

-33.6%	6.7%
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Earnings per security (EPS)

Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share

(a) Basic EPS

(b) Diluted EPS (if materially different from (a))

Current period

Previous
corresponding period

(144.6) ¢	36.4 ¢
(144.6) ¢	36.4 ¢

NTA backing

Net tangible asset backing per ordinary security

Current period

Previous
corresponding period

\$2.51	\$5.05
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Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	300	271
Interest revenue included but not yet received (if material)	-	-
Interest costs excluded from borrowing costs capitalised in asset values	-	-
Gain on disposal of controlled entity	-	3,816
Gain on disposal of property, plant & equipment	2	-
Depreciation (excluding amortisation of intangibles)	3,733	2,167

Control gained over entities having material effect

Name of entity	Capilano Canada Inc.
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired	\$(219)
Date from which such profit has been calculated	29 February 2008
Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period	\$(3,440)

Loss of control of entities having material effect

Name of entity	
Consolidated loss from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control	
Date from which the loss has been calculated	
Consolidated loss from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period	
Contribution to consolidated profit from ordinary activities and extraordinary items from sale of interest leading to loss of control	

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Reports for industry and geographical segments

a) Primary reporting – geographical segments	30 June 2008			
	Australia \$000	Canada \$000	Intersegment \$000	Consolidated \$000
Sales revenue	61,763	5,007	(2,964)	63,806
Other revenue	358	11		369
Total segment revenue	62,121	5,018	(2,964)	64,175
Segment result	(8,822)	(270)	(3)	(9,095)
Unallocated revenue less unallocated expenses	-	-	-	-
Profit before income tax				(9,095)
Income tax expense				1,647
Profit after income tax				(7,448)
Segment assets	59,081	5,810	(3,667)	61,224
Segment liabilities	37,882	4,830	(3,664)	39,048
Acquisitions of non current segment assets	1,288	-	-	1,288
Depreciation and amortisation expense	3,992	-	-	3,992
Other non cash income	2	-	-	2
Other non cash expenses	4,487	(6)	3	4,484

a) Primary reporting – geographical segments	30 June 2007			
	Australia \$000	Europe \$000	Intersegment \$000	Consolidated \$000
Sales revenue	68,250	1,019	(279)	68,990
Other revenue	279	-	-	279
Total segment revenue	68,529	1,019	(279)	69,269
Segment result	3,164	(1,236)	(2)	1,926
Unallocated revenue less unallocated expenses	-	-	-	-
Profit before income tax				1,926
Income tax expense				(51)
Profit after income tax				1,875
Segment assets	67,399	-	-	67,399
Segment liabilities	39,300	-	-	39,300
Acquisitions of non current segment assets	1,468	-	-	1,468
Depreciation and amortisation expense	2,295	8	-	2,302
Other non cash income	3,727	-	-	3,727
Other non cash expenses	455	14	-	469

Secondary reporting – business segments

The consolidated entity operates predominantly in the one industry, being the processing and sale of honey.

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Dividends

Date the dividend is payable	-
Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)	-

Amount per security

		<i>Franking rate applicable</i>	%	%	%
<i>(annual report only)</i>					
Final dividend:	Current year	- ¢	-	-	-
	Previous year	- ¢	-	-	-
<i>(Half yearly and annual statements)</i>					
Interim dividend:	Current year	- ¢	-	-	-
	Previous year	- ¢	-	-	-

Total annual dividend (distribution) per security

(Annual statement only)

	Current year	Previous year
Ordinary securities	- ¢	- ¢
Preference securities	- ¢	- ¢

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$-	\$-
Preference securities	\$-	\$-
Total	\$-	\$-

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Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$ -	\$ -
Preference securities	\$ -	\$ -
Total	\$ -	\$ -

The dividend or distribution plans shown below are in operation.

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Any other disclosures in relation to dividends (distributions)

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Equity accounted associated entities and other material interests

Equity accounting information attributable to the to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Entities share of:	Current period A\$'000	Previous corresponding period A\$'000
Profit (loss) from ordinary activities before tax.	-	-
Income tax	-	-
Profit (loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit (loss)	-	-
Outside equity interests	-	-
Net profit (loss) attributable to members	-	-

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Material interests in entities which are not controlled entities

The entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
Equity accounted associates and joint venture entities				
Capilano Canada Inc.	100%	50%	-	-
Total		-	-	-
Other material interests	-	-	-	-
Total			-	-

Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of securities	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
Preference securities <i>(description)</i>				
Changes during current period				
Ordinary securities	5,151,065	5,151,064	104	104
Changes during current period	4	4	379	379
Convertible debt securities <i>(description and conversion factor)</i>				
Changes during current period				

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Issued and listed securities (continued)

			Exercise price	Expiry date
Options (<i>description and conversion factor</i>)				
Changes during current period				
Exercised during current period				
Expired during current period				
Debentures				
Unsecured Notes				

Discontinuing Operations

Consolidated profit and loss account

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue						
Other revenue						
Expenses from ordinary activities						
Profit (loss) before tax						
Less tax						
Profit (loss) from ordinary activities after tax						

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Consolidated statement of cash flows

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows						
Net investing cash flows						
Net financing cash flows						

Other disclosures

	Current period A\$'000	Previous corresponding period A\$'000
Carrying amount of items to be disposed of:		
- total assets		
- total liabilities		
Profit (loss) on disposal of assets or settlement of liabilities		
Related tax		
Net profit (loss) on discontinuance		

Description of disposals

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Comments by directors

Basis of accounts preparation

If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

- The consolidated net loss before income tax attributable to members of CHL of \$(9.1) million includes:
 - underlying operating loss of \$(2.6) million
 - provisions and revaluations of \$(6.5) million

- The underlying operating loss of \$(2.6) million includes:
 - reduction in export revenue as the US dollar depreciated a further 13% against the Australian dollar (on the back of a 15% depreciation from 2006 to 2007)
 - foreign exchange loss of \$(0.85) million mainly on translation of the company's Canadian assets into Australian dollars
 - depreciation and amortisation costs of \$2.3 million
 - honey purchase price increases of 17% following the lowest domestic honey crop on record, consuming an additional \$4.1 million

- The provisions and revaluations of \$(6.5) million comprise:
 - revaluation of shareholding in Comvita Limited of \$(3.6) million to market value as at 30 June 2008
 - accelerated depreciation of IBC containers of \$1.1 million
 - accelerated depreciation of surplus plant and equipment at Maryborough of \$0.7 million
 - provision for redundancy costs of \$0.4 million
 - accelerated amortisation of market development costs of \$0.3 million
 - other provisions of \$0.4 million

- Domestic honey supply decreased by 33% from the previous year as the impact of the drought worsened.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Not applicable

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

\$2,385,409

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

Not applicable

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

Not applicable

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Additional disclosure for trusts

Number of units held by the management company or responsible entity to their related parties.

Not applicable

A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
- Management fees
- Other fees

Annual meeting

(Annual statement only)

The annual meeting will be held as follows:

Place

Springlake Function Centre
1 Springfield Lakes Boulevard
SPRINGFIELD LAKES Q 4300

Date

3 October 2008

Time

1.00pm

Approximate date the annual report will be available

4 September 2008

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are followed as compared with the most recent annual accounts.
- 4 This statement does give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:

(Tick one)

- The financial statements have been audited.
- The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- The financial statements are in the process of being audited or subject to review.
- The financial statements have *not* yet been audited or reviewed.

- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*).
- 7 The entity has a formally constituted audit committee.



Sign here: Date: 20 August 2008
(Director/Company secretary)

Print name: RICHARD P RIVALLAND

Notes

True and fair view If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

Income tax If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

Additional information An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.