



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

ABN, ACN or ARBN

Half yearly (tick)

Annual (tick)

31 December 2004

Half year/financial year ended ('Current period')

Summary

					\$A,000
Sales revenue or operating revenue	up/down	6.7%	to	41,217	
Profit (loss) before abnormal items and after tax	up/down	161%	to	(1,020)	
Abnormal items before tax		gain (loss) of		-	
Profit (loss) after tax but before outside equity interests	up/down	161%	to	(1,020)	
Extraordinary items after tax attributable to members		gain (loss) of		-	
Profit (loss) for the period attributable to members	up/down	161%	to	(1,020)	
Dividends (distributions)	Franking rate applicable	N/A			
Current period	Final	- ¢			
	Interim	- ¢			
Previous corresponding period	Final	- ¢			
	Interim	- ¢			
Record date for determining entitlements to the dividend, (in the case of a trust distribution)	N/A				
Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:					
N/A					

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Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	41,217	44,178
Expenses from ordinary activities	(41,394)	(40,848)
Borrowing costs	(939)	(781)
Share of net profit (loss) of associates and joint venture entities	(236)	(113)
Profit (loss) from ordinary activities before tax	(1,352)	2,436
Income tax on ordinary activities	332	(756)
Profit (loss) from ordinary activities after tax	(1,020)	1,680
Outside equity interests	-	-
Profit (loss) from ordinary activities after tax attributable to members	(1,020)	1,680
Profit (loss) from extraordinary activities after tax attributable to members	-	-
Profit (loss) for the period attributable to members	(1,020)	1,680
Retained profits (accumulated losses) at the beginning of the financial period	14,156	14,368
Net transfers to and from reserves	-	-
Net effect of changes in accounting policies	-	-
Dividends paid or payable	-	-
Retained profits (accumulated losses) at end of financial period	13,136	16,048

Profit restated to exclude amortisation of goodwill

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	(1,020)	1,680
Less (plus) outside equity interests	-	-
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	(1,020)	1,680

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Revenue and expenses from operating activities

	Current period \$A'000	Previous corresponding period \$A'000
Revenue		
Sales Revenue	41,255	43,022
Net Foreign Exchange Gain	(136)	1,028
Interest Received	98	105
Other	-	23
	41,217	44,178
Expenses		
Raw materials and consumables	28,103	30,061
Change in inventories of finished goods and work in progress	(208)	391
Employee Benefits	4,210	3,745
Depreciation of property , plant and equipment	860	785
Amortisation of intangibles	64	64
Marketing and Promotion	4,333	2,713
Other	4,032	3,089
	41,394	40,848

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	64	-	64
Total amortisation of intangibles	64	-	64
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 profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	(1,020)	1,680
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	-	-

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	-	3,343	3,268
Receivable	10,735	11,547	9,491
Investments	-	-	-
Inventories	26,964	26,552	23,815
Other (provide details if material)	1,021	806	687
Total current assets	38,720	42,248	37,261
Non-current assets			
Receivables	2,187	2,030	1,429
Investments	-	173	378
Inventories	-	-	-
Other property, plant and equipment (net)	18,612	18,117	17,783
Intangibles (net)	833	896	959
Other (Deferred Tax Assets)	3,006	2,736	1,919
Total non-current assets	24,638	23,952	22,468
Total assets	63,358	66,200	59,729
Current liabilities			
Accounts payable	9,243	7,724	8,062
Borrowings	4,692	4,188	7,674
Provisions	437	1,054	372
Other (provide details if material)	-	-	-
Total current liabilities	14,372	12,966	16,108
Non-current liabilities			
Accounts payable	-	-	-

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Borrowings	25,264	28,589	17,119
Provisions	601	505	473
Other (provide details if material)	-	-	-
Total non-current liabilities	25,865	29,094	17,592
Total liabilities	40,237	42,060	33,700
Net assets	23,121	24,140	26,029
Equity			
Capital	5,287	5,287	5,287
Reserves	4,699	4,697	4,693
Retained profits (accumulated losses)	13,135	14,156	16,049
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-
Total equity	23,121	24,140	26,029
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	41,917	47,800
Payments to suppliers and employees	(40,970)	(43,155)
Dividends received	-	-
Interest and other items of similar nature received	98	105
Interest and other costs of finance paid	(796)	(656)
Income taxes paid	-	-
Other (GST Receivable)	713	680
Net operating cash flows	962	4,774
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(1,325)	(330)
Proceeds from sale of property, plant and equipment	11	-
Payment for purchases of equity	-	(480)

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investments		
Proceeds from sale of equity investments	-	-
Loans to other entities	12	(810)
Loans repaid by other entities	74	(403)
Other (provide details if material)	-	-
Net investing cash flows	(1,228)	(2,023)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	-	-
Proceeds from borrowings	211	314
Repayment of borrowings	(3,322)	(2,465)
Dividends paid	(256)	(1,026)
Other (provide details if material)	-	-
Net financing cash flows	(3,367)	(3,177)
Net increase (decrease) in cash held	(3,633)	(426)
Cash at beginning of period (see Reconciliation of cash)	3,343	3,694
Exchange rate adjustments	-	-
Cash at end of period (see Reconciliation of cash)	(290)	3,268

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	-	3,268
Deposits at call	-	-
Bank overdraft	(290)	-
Other (provide details)	-	-
Total cash at end of period	(290)	3,268

Ratios

Profit before tax/sales

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

Current period

Previous
corresponding period

- 3.3%	5.5%
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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

-4.4%

6.5%

-4.4%	6.5%
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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

(19.9) c	32.7 c
(19.9) c	32.7c

NTA backing

Net tangible asset backing per ordinary security

Current period

Previous
corresponding period

\$3.76	\$4.51
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Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	98	105
Interest revenue included but not yet received (if material)	-	-
Interest costs excluded from borrowing costs capitalised in asset values	-	-
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
Depreciation (excluding amortisation of intangibles)	860	785
Other – (Decrease) / Increase in Provision for employee entitlements	(266)	56

Control gained over entities having material effect

Name of entity

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

\$

Date from which such profit has been calculated

Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period

\$

Loss of control of entities having material effect

Name of entity

Consolidated profit (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 profit (loss) has been calculated

Consolidated profit (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 (loss) 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

SEGMENT REPORTING Primary reporting - geographical segments	31 December 2004				
	Australia \$000	Canada \$000	Europe \$000	Intersegment Elimination \$000	Consolidated \$000
Sales revenue	41,440	-	11	(196)	41,255
Other revenue	(38)	-	-	-	(38)
Share of net losses of associates	-	(236)	-	-	(236)
Total segment revenue	41,402	(236)	11	(196)	40,981
Segment Result	(958)	(236)	(51)	(107)	(1,352)
Unallocated revenue less unallocated expense					-
Profit from ordinary activities before income tax expense					(1,352)

SEGMENT REPORTING Primary reporting - geographical segments	31 December 2003				
	Australia \$000	Canada \$000	Europe \$000	Intersegment Elimination \$000	Consolidated \$000
Sales revenue	43,022	-	-	-	43,022
Other revenue	1,156	-	-	-	1,156
Share of net losses of associates	-	(113)	-	-	(113)
Total segment revenue	44,178	(113)	-	-	44,065
Segment Result	2,549	(113)	-	-	2,436
Unallocated revenue less unallocated expense					-
Profit from ordinary activities before income tax expense					2,436

**Secondary reporting - business
segments**

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

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)

-

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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	\$ -	\$ -

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	\$ -	\$ -

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The dividend or distribution plans shown below are in operation.

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The last date(s) for receipt of election notices to the dividend or distribution plans

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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 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.	(236)	(113)
Income tax benefit	61	36
Profit (loss) from ordinary activities after tax	(175)	(77)
Extraordinary items net of tax	-	-
Net profit (loss)	(175)	(77)
Outside equity interests	-	-
Net profit (loss) attributable to members	(175)	(77)

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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 Labonte Inc	50%	50%	(175)	(77)
Total			(175)	(77)
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 (description)				
Changes during current period				
Ordinary securities	5,132,188	5,128,772	103	103
Changes during current period	10	10	540	540

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Convertible debt securities <i>(description and conversion factor)</i>				
Changes during current period				
			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						

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Less tax					
Profit (loss) from ordinary activities after tax					

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		

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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 decrease in revenue includes a reduction of over \$1m in exchange gains made the previous year.

Easing of drought conditions has contributed a 23% increase in domestic crop production, to be sold largely in the export bulk market where selling prices have decreased by over 40% over the last 6 months.

Sales in the first half of the year included last season's stock, purchased at prevailing prices 65% higher than the average buying price in the current year. Stock on hand at 31 December 2004 is valued more in line with current purchase prices and this will positively impact on second half profitability.

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)

N/A

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

Franking credits available are \$2,496,510
It is likely that a fully franked dividend will be paid .

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

N/A

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

N/A

Additional disclosure for trusts

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

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

Date

Time


Approximate date the annual report will be available

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.

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- 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*). – The audit report is attached.
- 7 The entity has a formally constituted audit committee.

Sign here:  Date: 17 February 2005
(Director/~~Company secretary~~)

Print name: ROGER D MASTERS

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.