



CAPILANO & COMVITA COLLABORATE TO PRODUCE MANUKA HONEY



COMPANY ANNOUNCEMENT

Capilano Honey Limited (ASX:CZZ) and global natural health products company Comvita (NZX:CVT) are pleased to announce that a Memorandum of Understanding to form a new, jointly-owned apiary business has been signed. The new business intends to operate a number of *Leptospermum* honey producing apiaries in Australia, to deliver premium honey for a range of medical and natural health products. The incorporated joint venture to be formed will be owned 50:50 by Comvita and Capilano.

Within their respective countries, Comvita and Capilano each market honey and manage apiary operations that produce a wide range of honey, including *Leptospermum* honey. Capilano wishes to expand its specialised *Leptospermum* apiary operation in Australia and secure greater honey supply. Comvita currently operates in Australia in a sales and marketing capacity and this joint venture will secure greater volumes of *Leptospermum* honey to be processed in Australia, to meet a growing global sales demand.

Capilano and Comvita have already been involved in a joint research initiative to investigate the medicinal properties of Australian *Leptospermum* honey. In order to best satisfy growing sales, both companies recognise the need to expand their operations and grow the supply base for premium quality honey, especially in Australia. Both businesses believe they will achieve significant long term benefits by working together.

The formation of the joint venture is subject to the execution of appropriate transaction documentation that is to be expeditiously agreed by both parties. Capilano believes this new venture will assist our business by increasing the security of supply and by expanding our involvement in the international value chain for *Leptospermum* or Manuka honeys.

For further information:

Ben McKee, Managing Director
07 3712 8282

2 March 2016

About Comvita (www.comvita.co.nz):

Comvita (NZX:CVT) is a global, natural health company committed to the development of innovative products, backed by ongoing investment in scientific research. They are the world leaders in Manuka honey and fresh-picked Olive Leaf Extract, which are at the core of the Comvita product range.

They have approximately 50% of honey supply in New Zealand under direct ownership or control, with the balance of supply from long term contractual and partnership arrangements. Comvita pioneered the development and use of medical grade Manuka honey and was the first to receive FDA approval (2007). They partner with US wound care company Derma Sciences, Inc. (NASDAQ:DSCI), the global licensee for Medihoney® specialist wound care products, which are used in hospitals and medical centres around the world.

Comvita sells into more than 18 countries through a network of their own branded retail locations, online (seven country specific e-commerce websites) and third-party outlets. They have over 500 staff located in New Zealand, Australia, Hong Kong, Japan, South Korea, the United Kingdom and the USA.

