COMVITA LIMITED – ANNUAL SHAREHOLDER MEETING
THURSDAY, 23 JULY 2015 AT 2.00pm

CHAIRMAN'S ADDRESS
BY NEIL CRAIG

The Board of Comvita is very pleased with the last year's financial performance. This has allowed us to increase dividends per share from 12 cents to 13 cents on share capital that grew by 24%, mainly as a result of our 1 for 5 rights issue at $3.55 per share which raised $24.4 million in December 2014.

Highlights for the year and an insight to the immediate outlook, will be covered in detail by Brett Hewlett, our CEO in a separate presentation.

From a long term perspective, the more significant achievements for Comvita in the last 12 months were the completion of a range of infrastructure projects as well as substantially completing our long term strategic objective of securing 100% of our raw honey supply through ownership of apiaries and long term supply contracts and partnerships. We have worked assiduously since Brett Hewlett joined Comvita nearly 10 years ago, to become fully vertically integrated from source of raw material supply through to selling to the end customer in all markets in which we operate. This control of the supply chain allows Comvita to have:

- The best chance of maximising our value add (and resulting gross margin) through a structured approach to innovation in all parts of the business
- Full traceability from source through to the customer
- Better control of raw material costs and security of supply.

Our strategic plan, to have a vertically integrated business with $100 million sales within five years was agreed upon in 2006, when revenue was just over $30m. In 2016, we expect sales to be in excess of $180 million and our longer term forecast out to 2020 projects the company will approach sales of $400 million with sustained earnings growth. The business model and supporting growth strategy we currently have in place will in large support our ambitions out to 2020 and beyond.

Comvita's vertically integrated high value-add business model is unique within the New Zealand primary sector. It is especially difficult to make such fundamental changes to any business without destroying excellent business culture, but it is even more difficult when you are a listed company that must report each six months to shareholders who want financial performance and dividends.

Brett Hewlett and the Board are well satisfied that Comvita has met the growth, vertical integration and supply chain objectives set almost ten years ago. It is also pleasing to be able to state that our strongly held business ethos culture around 'Sharing Nature, Sharing Life', remains as alive and well today as it has always been over the 40 year life of the Company.

Brett will be stepping down as CEO of Comvita on 31 March 2016. Through a dedicated commitment by Brett over the last 10 years, with support from the Board and staff, he has put the Company into a very strong position to deliver significantly better future returns on capital employed and earnings per share. We believe this will be just the start of a period of stronger financial performance.

Brett will remain in the role of CEO for our current financial year and will be invited to join the Board within 12 months of his stepping down as CEO.

The Board will conduct a process to review potential candidates, including internal candidates from the strong senior bench of Comvita, and anticipates announcing an appointment before the end of 2015.

As part of the ongoing process of Board member succession and replenishment, Maurice Prendergast will be retiring today after 7 years. His experience of participation in global markets and sound commercial judgement has been an important ingredient in the success of Comvita at governance level.

Sarah Kennedy is up for election today as a replacement for Maurice on the Board. Sarah comes with very high credentials and background (ex CEO of Healtheries, RD1 and more recently a senior executive role at Fonterra), that will enable her to make an immediate contribution to the financial performance of Comvita.

The current financial year has started strongly supported by very healthy raw material inventory levels, solid demand in most markets and an active process of optimizing returns from individual markets and products. While we are less than four months into the new financial year, we wish to provide formal guidance to the market that our earnings are likely to be at least 35% in excess of 2015. We will update this further at our first 6 month result announcement in November 2015.