

2 March 2016

Comvita and Capilano Collaborate in Australian Apiary Operations

Global natural health products company Comvita (NZX:CVT) and Australia's leading honey marketer Capilano Honey Limited (ASX:CZZ) 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 apiary businesses 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 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.

Comvita and Capilano 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.

Ends

For further information:

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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. We are the world leaders in Manuka honey and fresh-picked Olive Leaf Extract, which are at the core of the Comvita product range.

We have approximately 50% of honey supply 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). We 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's freshly picked Olive Leaf Extract is grown, harvested, extracted and bottled at the world's largest specialised olive leaf grove.

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

About Capilano (www.capilano.com.au)

Capilano Honey Limited (ASX:CZZ) is Australia's leading honey marketer, with manufacturing operations in the States of Queensland, Victoria and Western Australia. The company's brands hold the largest market share in Australia, whilst exporting to over 30 countries throughout the world.

COMVITA LIMITED