

22 May 2015

## Comvita Announces Record Earnings

Global natural health products company, Comvita (NZX:CVT) today announced record earnings for the year ended 31 March 2015.

Net profit after tax (NPAT) rose to \$10.2m from \$8.0m in 2014, a 28% increase. Sales rose 32% to \$152.7m from \$115.3m in 2014. Earnings before interest, tax, depreciation and amortisation (EBITDA) rose to \$23.0m from \$17.0m, an increase of 35%.

The Directors have declared a fully imputed dividend of 9 cents per share, payable on 26 June 2015 for shareholders on the register on 19 June 2015. This follows an interim dividend paid in December 2014 of 4 cents per share and takes the total, fully imputed dividend for the year to 13 cents per share (2014: 12 cents). This increase in dividend per share is on a 24% increase in total shares on issue.

Comvita Chairman Neil Craig said: "These results comfortably exceed the company's earlier forecast and demonstrate Comvita's sales momentum is strong. Our investments in market development, infrastructure and systems have provided, and will continue to provide, sustainable earnings growth."

Mr. Craig said: "Our balance sheet is in good shape, having successfully completed a \$24.4m capital raising in December 2014. The proceeds have been used to reduce borrowings and further support a build-up of honey inventory, as well as affording financial capacity to consider further acquisitions. Any acquisitions will need to fit within both our existing investment criteria and product platforms and be earnings accretive in the short term."

"From the capital raising proceeds \$1.7m have been used to exercise our warrants in Derma Sciences, lifting our total shareholding of Derma (DSCI:Nasdaq) to approximately 4% and further securing this relationship, which provides access to the global medical honey woundcare market."

Reflecting upon the year's operating performance, Comvita CEO Mr. Hewlett said: "Sales, driven by record tourism numbers, and growth in the New Zealand market have been outstanding, along with sales in our second fastest growing market of Australia. Globally, fresh Olive Leaf Extract sales have shown 27% year-on-year growth. An upwards trend continues in the China market and worldwide, web sales increased 55%."

"Sales of honey-based products have risen significantly for the year based on increased availability of raw material, including the strategic benefits of the acquisition of New Zealand Honey Limited in July 2014."

"Whilst the margins on these honey products are lower than the previous year, we expect overall returns to increase going forward, as we grow our higher value Comvita-branded product lines at a faster pace than lower valued grocery 'honey in a pot'."

Mr. Hewlett said: "We are confident that, based on a more secure Manuka honey supply position, a continued focus on optimising the performance of our international markets and continued revenue growth in both honey and non-honey product lines, we expect further net earnings growth in 2015-2016."

Financial results for the year to 31 March 2015	2015 \$m	2014 \$m	Change %
Revenue	152.7	115.3	32%
EBITDA	23.0	17.0	35%
NPAT	10.2	8.0	28%
Earnings per share (cents)*	29.9	26.1	14%
Dividend (cents) per share**	13.0	12.0	8%

\* Based on weighted average number of shares on issue during the year

\*\*Based on 39.6m shares on issue as per record date 19 June, 2015.

# Ends #

#### For further information:

Brett Hewlett, Comvita CEO, 021 740 160

Julie Chadwick, Comvita Communications Manager, 021 510 693

#### Background information

##### **About Comvita** ([www.comvita.com](http://www.comvita.com))

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 (leptospermum) 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, with over one million olive trees.

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, Taiwan, South Korea, the United Kingdom and the USA.

## Comvita Limited (CVT)

### Results for announcement to the market

Reporting Period	12 months to 31 March 2015
Previous Reporting Period	12 months to 31 March 2014

	Amount (NZD'000)	Amount (NZD'000)	Percentage change
	2015	2014	
Revenue from ordinary activities	\$152,702	\$115,283	32%
Net profit after tax	\$10,244	\$7,972	28%
Net profit from ordinary activities after tax attributable to security holder	\$10,542	\$8,151	29%
Total comprehensive income attributable to security holders	\$5,844	\$4,154	41%
Earnings per share (cps)	29.88	26.12	14%

<b>Final Dividend</b>	
Amount per security	\$0.09
Imputed amount per security	\$0.09
Record date	19 June 2015
Dividend payment date	26 June 2015

<b>Comments</b>	Please refer to profit announcement above and attachments for commentary.
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*Attachments:*

- Financial statements
- Investor presentation
- Appendix 7 notice of event effecting securities - Dividend