

10 May 2016

## Comvita achieves record result

For the 12 month period ending 31 March 2016, Comvita (CVT) recorded an unaudited after tax profit of \$17.2 million on sales of \$202 million. This compares with an after tax profit of \$10.2 million on sales of \$153 million in the prior 12 month period. This is slightly above the top end of guidance given to the market in November 2015.

Comvita Chairman Neil Craig says, “While revenue has grown by 32%, it is pleasing to see EBITDA has increased by 59% and is now 18% of revenue.”

“It is important to note that, because the balance date has changed to 30 June, the announcement today is an unaudited 12 month comparative result.” Mr Craig added that the June Quarter is typically the quietest quarter due to seasonality of sales, hence the 15 month operating result to 30 June 2016 is likely to be similar to the result reported for the 12 months to 31 March 2016.

The Board has decided to pay a fully imputed 2<sup>nd</sup> interim dividend of 10 cents per share on 24 June 2016, for those shares registered on 17 June 2016. This brings total interim dividends for the 12 month period to 16 cents per share (compared with 13 cents per share in 2015). With the change in balance date to 30 June, a final dividend is expected to be paid in September 2016 based on audited accounts.

Comvita CEO Scott Coulter gave credit to his management team and staff for their dedication, hard work and commitment to execution of company strategy. “As a business, we are continuing our focus on strong growth in earnings. Increases in our Return on Capital Employed (ROCE) to 15.3% (prior year 12%), and EBITDA Margin to 18% (prior year 15%) are important improvements and all our people have contributed through their efforts.”

“We are continuing to build scale and increase our sales base, resulting in our profits growing faster than our increases in sales, clearly demonstrating operational leverage in our business model.”

Strong growth was recorded in Australia, with sales finishing 62% higher than the prior year. Australia is now our largest market and has contributed significantly to our 12 month result. Sales to China also grew strongly and our business there continues to prosper. Some of our smaller subsidiaries had pleasing growth. Sales in Japan grew by 64% and US sales grew 66% on the prior year from a small base.

Mr Coulter said, “Comvita has a genuine focus on improving consumer health and a highlight in the year was the recent publication of a successful cardiovascular clinical trial performed by the University of Reading, UK for our Olive Leaf Extract.”

Taking Comvita Extra-Strength, Fresh-Picked Olive Leaf Extract for six weeks lowered blood pressure and improved cholesterol levels in study participants, relative to a placebo. Improvements in risk factors, such as small reductions in diastolic blood pressure can be associated with a reduction in cardiovascular risk. On this basis, the study showed the effect of Olive Leaf Extract on blood pressure may be associated with a 9-14% reduction in cardiovascular risk, making it a useful addition to a healthy diet and lifestyle.

Mr Coulter added “we continue to invest in the source of our key raw materials including Manuka honey and fresh Olive Leaf. We have a very strong brand and leveraging our brand into new product formats and ingredient platforms will be an ongoing feature of the ‘Comvita story’.”

	12 months to 31 March 2016 (unaudited)	12 months to 31 March 2015 (audited)
Sales	\$202m	\$153m
EBITDA*	\$36.4m	\$23.0m
EBITDA%	18%	15%
Net Profit after Tax	\$17.2m	\$10.2m
Earnings per share (cents)	43.36	29.88
Dividends per share (cents)	16.00	13.00
Return on Capital Employed	15%	12%

\* EBITDA: earnings before interest, tax, depreciation and amortisation

Ends.

**For further information:**

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**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.