

SE **Business**

HD **Media mogul Stokes has taste for honeypot Capilano**

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Agribusiness

Media mogul Kerry Stokes has emerged as the largest shareholder in Capilano Honey, mopping up a large part of the Icon Brands **stake sold** off last week.

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In early June one of Capilano's largest beekeeper shareholders **sold** a big line of stock and last week broker Cannacord Genuity handled a block trade on behalf of Icon Brands that saw Mr Stokes join the register.

Icon Brands held a 20.7 per cent **stake** and Mr Stokes has emerged with a 12.5 per cent shareholding. The **billionaire** executive chairman of Seven **Group**, Mr Stokes is well known for his ability to use creep provisions to wield influence over listed companies without paying shareholders a premium to gain control.

The large trades in Capilano's shares come just months after the **company** amended its rules so that its beekeeper suppliers are no longer compelled to hold shares.

Capilano, which buys honey from about 500 Australian beekeepers, commands roughly 50 per cent of the domestic honey market under its Capilano Honey **brand**. The most recent heatwave across Australia gave the **company** an opportunity to increase its dominance.

Bees are vulnerable to hot weather and dry conditions have seen local honey production falter.

Capilano chief executive Ben McKee said the **company** had been able to source honey from other parts of the world such as **China** at the expense of rivals like Beechworth.

"Some of our competitors don't have honey and we do. There has been a bit of a hole in the market and we can fill the void ... with imported honey," he said. Sourcing honey from other markets also enables Capilano to lower its costs.

"Australian honey costs somewhere between \$4 to \$4.20 per kilogram. It [Capilano] can import honey to [offset] the shortage and some of that is at a lower price point," Cannacord head of industrial research Aaron Muller said.

Mr McKee, a former beekeeper who did doctoral research on bees, said he had been repositioning Capilano from a "feed the masses" approach to focus on driving premium brands.

Honey sales generally are growing about 5 per cent a year, and Mr McKee said a major driver of that was the health-conscious consumer who favoured natural products like honey over rival spreads like peanut **butter**.

Capilano's revenue in the six months to the end of last December was \$43.2 **million**, up from \$33.8 **million** a year earlier, while net profit before tax rose to \$2.95 **million** from \$1.02 **million**.

Capilano has a market value of \$51 **million** and its shares have soared more than 140 per cent over the past year to about \$6.

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