

Successful New Product Development

In a statement issued earlier today the Directors' of Botry-Zen Limited have released confirmation that, after several months of intensive research and trialing a fully commercial dry powdered BOTRY-Zen product has now been developed.

In what is world-leading progress in many aspects of the development, the shelf life of the company's BOTRY-Zen anti-*Botrytis* and anti-*Sclerotinia* product has now been successfully extended to over six months and the new water dispersible granulated formulation has proved most acceptable to those New Zealand growers who participated in this season's trialling. (The previous BOTRY-Zen formulation was a frozen paste with a six week shelf-life). These recent product advances are recognised in the industry as being most "user-friendly" and enable vineyard and orchard application through standard field equipment.

Field reports from the 2003/2004 growing season clearly show that BOTRY-Zen utilisation, in integrated programmes and under heavy *Botrytis* pressure, yields results directly comparable to conventional chemical programmes. Besides successful application in field trial activity across multiple grape-land sites the Company is pleased to report successful field activity on kiwifruit, several berry fruit varieties and cut flowers, particularly peony roses.

In addition, an Italian consultant engaged to conduct field trials in the northern hemisphere has furnished a strongly favourable report on the product's use. Italian market interest is expanding as growers recognise that BOTRY-Zen can be used effectively in what is known as "integrated spray programmes". Essentially these are programmes where biological products are widely implemented to manage *Botrytis* risk through most of the season but where also, when needed, some chemical application may be made. Growers and consumers alike are becoming very focused in strongly supporting such programmes where chemical utilisation is kept to a minimum. (Traditionally, widespread chemical use has seen the build up of disease resistance to the chemical fungicide solutions and also, chemical programmes considerably raise the risk of residue problems in the end product).

In New Zealand, the wine industry strongly advocates sustainable winegrowing best practice (under its position statement "New Zealand Wine- the riches of a clean green land") and there are currently in excess of 210 national vineyards which hold sustainable winegrowing accreditation.

Two key objectives now face the company, the first being the need for closure on new partnering arrangements to cover the cost of international (specifically European and Californian) trialling and registration steps together with the linked distribution and marketing functions. With the appropriate partnering resources in place in these key, and very large, markets the significant commercial potential for Botry-Zen can be further developed.

The second objective is the scaling-up of the Dunedin plant in order to have the granulated product commercially available for the local market (from September this year) and the high volume international markets, once registration is secured.

The Company is continuing to receive high level interest from international parties which are focusing attention on the recent progress and the Directors' are committed to allocating all resources towards the goal of securing positive outcomes on the above two important tasks.

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