



**ASX ANNOUNCEMENT**  
ASX Code BUG

**Market Announcement**

**6 May 2016**

**Change to Earnings Expectations**

Directors advise the market that Buderim Group Limited earnings expectations for the year ending 30 June 2016 is likely to be in the range of \$(3,700)k to \$(4,200)k net profit(loss) before tax following a half year reported net profit(loss) before tax of \$(1,256)k excluding any fair value adjustments relating to the market value of the Kapua orchard .

Following a record macadamia crop in MacFarms of Hawaii in the order of 12,000,000 lbs the company may not achieve the sell through of the resulting kernel inventory prior to 30 June 2016 being in the order of \$6 million in sales. It is expected to be sold in the normal course of business in the next financial year.

The increase in macadamia prices in Australia over the past year in the order of 16% to record levels, has put pressure on margins in our Australian operation as we have not been able to pass on those increases in full to kernel buyers in the market.

Provisioning has been made in the MacFarms operation for i) \$236k for Macadamia paste affected by aflatoxin, ii) \$285k for unreconciled production from a contract processor

The company has been considering a number of options to improve profitability and advises that it has appointed M&A Partners, a corporate advisory firm, to assist in evaluating options to enhance shareholder value and measures to restore underlying profitability. This will include a review of its capital structure and exploring possible joint ventures and strategic acquisitions or divestments across its core businesses.

End.

For further information please contact:

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