



**Market Announcement
ASX Code: BUG**

29 February 2012

BUDERIM GINGER FULL YEAR RESULTS AND FINAL DIVIDEND

Queensland Food Processor, Buderim Ginger Limited, today announced that the audited result for the financial year ended 31st December 2011 was an after tax profit of \$1.54 million (2010 - \$2.60 million loss). The pre tax result was \$1.83 million (2010 - \$4.21 million loss). A final dividend for the year of 0.5 cents per share (franked to 85%) has been declared and will be paid in May 2012.

The Directors are pleased to announce this result which represents a substantial improvement from the trading loss experienced in the prior year. The major contributing factors were.

- Return to profitability of the ginger business which experienced a \$2.5 million turnaround from the prior year in spite of the significant Australian crop failure at the beginning of the 2011 calendar year.
- Return to profitability of the Hawaiian Macadamia business which improved by \$3.6 million from the prior year due to an improved crop in the second half following drought-breaking rainfall and improved pricing.
- The Australian Macadamia business also benefited from improved pricing.
- Tourism suffered from the general economic downturn.
- The Baking business reduced and is being restructured following the loss of a significant contract.

The result was achieved in very difficult external circumstances. The Queensland floods, the appreciation of the Australian Dollar affecting export profitability and the general world economic slowdown all impacted on demand for many of the company's products. Domestically the reduction in tourism numbers also caused some difficulty. The company has however substantially changed since 2010 following changes in senior management and the company's commercial relationships with its suppliers and customers.

The outlook for 2012 looks very positive. The domestic ginger harvest is indicating higher volumes than 2011 and the sourcing of more ginger product from Fiji and other origins will stabilize the supply situation. The Macadamia crop is larger in the US and Australia than in 2011 and, with improved pricing in 2012, these results will improve.

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Buderim Ginger Full Year Results and Final Dividend (cont'd)

Tourism and the Bakery are still working through issues which are expected to be resolved during the year. As always, climatic events, the Australian Dollar exchange rate and the external economic environment may throw up unexpected issues.

The previous breaches of lending covenants have been addressed with our bankers and the company is now in the process of executing new longer term debt facilities.

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