Buderim Ginger Limited

50 Pioneer Road
Yandina, Queensland, 4561
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Facsimile: (07) 5446 7520

ABN 68 010 978 800

ASX Code: BUG

Appendix 4D

For the six months ended 30 June 2011.

Contents

Rules 4.2A.3

Appendix 4D

Half year report

Introduced 1/1/2003.

Name of entity

Buderim Ginger Limited

ABN or equivalent company reference	Half year ended ('current period')
68 010 978 800	30 June 2011

Results for announcement to the market

			$A'000
Revenue from operations	Down 11%	to	35,886
Profit after tax attributable to members	UP (from ($548k))	to	119
Net profit for the period attributable to members	UP (from ($548k))	to	119

Dividends (distributions)	Amount per security	Franked amount per security
Current period		
Final dividend	Nil ¢	Nil¢
Interim dividend *(It is not proposed to pay an interim dividend)*	Nil ¢	Nil ¢
Previous corresponding period		
Final dividend	Nil ¢	Nil ¢
Interim dividend *(An interim dividend was not proposed)*	Nil ¢	Nil ¢
Record date for determining entitlements to the dividend	N/A	

Further details on dividends are included in Note 3 of the Financial Statements.
Equity movements during this half-year are detailed in Note 4 of the Financial Statements following this appendix.

A Brief explanation of figures reported is below. Further detail is included in the Review of Operations

The Group recorded an after tax profit of $119k for the half-year ended 30 June 2011 compared to a loss of ($548k) after non-controlling interests in the corresponding period last year.

Before-tax profit of $75k, represented an improvement of $933k on the loss of ($858m) after non-controlling interests reported in the comparative period.

Revenue declined $4.3m to $35.9.m. However, EBITDA increased by $809k to $2.1m from $1.3m in 2010. The year-on-year improvement was underpinned by strong gains in both the Ginger and Hawaiian Macadamia segments, despite intensified crop risks associated with drought in Hawaii and crop disease in Australia.

The main factors affecting trading performance in this half-year include:

- A $533k profit improvement in Ginger in spite of a drop of $535k in revenue. Revenue declined to $13.7m from $14.4m in 2010 because of crop shortages, while profit (after non-controlling interests) increased from $144k to $677k.

Brief explanation of any of the figures reported (continued):

- A ($157k) drop in profits from the Australian Macadamia business. Revenue declined to $5.2m from $6.3m in the corresponding period last year, attributable mainly to export sales as a direct result of a lower Australia harvest.
- A profit improvement of $1.5m on the year before in the Hawaiian Macadamia segment despite a $3m drop in sales revenue. Sales declined to $3.5m from $6.6m in 2010 due to kernel shortage. This was supplemented by crop insurance income of $1.8m as part compensation for losses resulting from the impact of drought.
- Reduced sales of ($357k) and a ($330k) drop in profit in the Baking business as a direct result of reduced demand following Queensland's natural disasters at the beginning of the year, combined with continuing negative influences of a struggling economy. Revenue declined from $10.4m to $10.1m. and a loss of ($36k) was reported against a profit of $294k in the previous half-year.
- Tourism's revenue dropped ($192k) while profits were down ($76k) due to an 8% drop in visitor numbers and reduced spend per head which is consistent with the broader economic climate.

Further detail on the results can be found in the Directors Report on pages 8 and 9.

The half-year accounts should be read in conjunction with the annual financial report for the financial year ended 31 December 2010.

Net tangible asset backing	Current year	Previous year
Net tangible asset backing per ordinary security	36 cents	65 cents

Note: The number of ordinary shares on issue as at 30 June 2011 were 82,592,707 (2010: 40,896,353).
Refer Note 4 - Contributed Equity.

Change in composition of entity

There have been no changes in the composition of the Buderim Ginger Limited group during the reporting period associated with restructuring or the acquisition or disposal of a subsidiary.

Details of associates and joint venture entities

On 21 December 2004, Ginger Head Quarters Pty Ltd, ABN 54 112 289 988 was incorporated as a joint venture company through which the tourism attraction, Overboard, commenced operations on 28 May 2005. The reporting entity holds 50% equity in Ginger Head Quarters Pty Ltd. The investment in Ginger Head Quarters Pty Ltd is accounted for using the equity method. The share of the entity's before tax profit included in the consolidated entity's financial statements for the period ended 30 June 2011 is $8k (2010: ($5k)).

The reporting entity does not hold any equity in an associate or other joint venture entity, other than the entities mentioned above.

Compliance statement

1 Accounting standards and policies

This report has been prepared in accordance with Australian Accounting Standard AASB 134 "Interim Financial Reporting", Australian Accounting Interpretations and other authoritative pronouncements of the Accounting Standards Board.

This report has been prepared in accordance with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the end of year financial report, comprising the financial statements and notes, thereto, complies with International Financial Standards ("IFRS'). This report, and the accounts upon which the report is based, use the same accounting policies.

2. Independent Review

This report is based on accounts which have been subject to a review. An independent review certificate is provided as part of this report. The Auditor's Independence Declaration is also included in the Directors' Report. The half-year accounts are not subject to any audit dispute or qualification. The entity has a formally constituted audit committee.

Sign here: .... (Company Secretary)

Date: ...31 August 2011.................

Print name: Karon L. Rogers..

ABN 68 010 978 800
ASX Code: BUG
Directors

Steve Morrow (Chairman)
Shane Templeton
Stephen Maitland
George Vasili

Company Secretary

Karon Rogers

Senior Management

Ron O'Grady (Chief Executive Officer)
Karon Rogers (Chief Financial Officer)
Darren Burton (General Manager – Agrimac)
John Wilkie (General Manager – MacFarms of Hawaii)
Dan Cashin (General Manager – Buderim Baking)
Corinne Mikkelsen (General Manager – Tourism)
Craig Todd (Ginger Marketing Manager)

Auditors

BDO Audit (Qld) Pty Ltd
300 Queen Street
Brisbane, Queensland, 4000
Telephone: (07) 3237 5999
Facsimile: (07) 3221 9227

Solicitors

Thomsons Lawyers
Waterfront Place
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Brisbane, Queensland, 4000
Telephone: (07) 3338 7519
Facsimile: (07) 3338 7599

Bankers

Rabobank Australia Limited
GPO Box 2817
Brisbane, Queensland, 4001
Telephone: 1300 303 033
Facsimile: (07) 3115 1881
Westpac Banking Corporation
P O Box 108
Nambour, Queensland, 4560
Telephone: (07) 5441 1533
Facsimile: (07) 5441 4685

Share Register

Computershare Investor Services Pty Limited
117 Victoria Street,
West End, Queensland, 4101
Telephone: 1300 850 5050 (within AUS)
+61 (3) 9415 4000 (outside AUS)
Facsimile: (03) 9473 2500

Australian Head Office & Registered Office

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Facsimile: (07) 5446 7520
Email: buderimg@buderimginger.com

United Kingdom Office

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Kings Avenue House
Kings Avenue, New Maiden
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Telephone: 44 208 942 8150
Facsimile: 44 208 949 5805
Email: sales@buderimginger.co.uk

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Buderim Ginger America, Inc
1 Halstead Way
Mahwah, NJ 07430
United States of America
Telephone: 1 201 560 1170 or 1 551 427 3004
Facsimile: 1 201 961 7777
Email: achinlyn@buderimginger.com

Fiji Office

Frespac Ginger (Fiji) Limited
Lot 14 Wailada Estate, Lami
PO Box 15128
Suva, Fiji
Telephone: 679 3362 863
Facsimile: 679 3361 225
Email: frespac@is.com.fj

Australian Macadamia Office

Buderim Macadamias Pty Ltd t/a **Agrimac Macadamias**
1 Northcott Crescent
Alstonville, New South Wales, 2477
Telephone: (02) 6628 6185
Facsimile: (02) 6628 6183
Email: dburton@agrimac.com.au

Hawaiian Macadamia Office

Buderim Macadamias of Hawaii, LLC dba **MacFarms of Hawaii**
89-406 Mamalahoa Highway
Captain Cook, Hawaii, 96704
Telephone: (808) 328 2435
Facsimile: (808) 328 2080
Email: jwilkie@macfarms.com

Buderim Ginger Limited

ABN 68 010 978 800

ASX Code: BUG

Half Year Report

For the six months ended 30 June 2011.

Directors' Report

Your directors present their report on the consolidated entity consisting of Buderim Ginger Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2011.

Directors

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated:

Steve John Morrow, B.Ag Econ., MAICD
(Non-executive Chairman and Chairman of the Remuneration Committee)

Stephen James Maitland, OAM, RFD, B.Ec., M.Bus., LLB, FCPA, FAICD, FCIS, FAIM, FFIN
(Non-executive Director and Chairman of the Audit & Compliance Committee)

Shane Tyson Templeton, B.Bus., FAICD
(Non-executive Director and member of the Audit & Compliance Committee)

George Vasili
(Non-executive Director and Member of the Remuneration Committee)
George Vasili, was appointed on 1 July 2011 to fill a casual vacancy until the next AGM.

Company Secretary

Karon Lesley Rogers, B.Bus., FCPA, FCIS, FAICD

Earnings per share

	Cents
Basic earnings per share	0.17
Diluted earnings per share	0.17

There were no options issued or exercised during the period.

Dividends

	Cents	$'000
Dividends paid during the half-year		
Final for 2010	Nil	Nil

Subsequent to the end of the 2010 year, Directors declared that no dividend be paid for the year ended 31 December 2010.

Review and results of operations

The Group recorded an after tax profit of $119k for the half-year ended 30 June 2011 compared to a loss of ($548k) after non-controlling interests in the corresponding period last year.

Before-tax profit of $75k, represented an improvement of $933k on the loss of ($858m) after non-controlling interests reported in the comparative period.

Revenue declined $4.3m to $35.9.m. However, EBITDA increased by $809k to $2.1m from $1.3m in 2010. The year-on-year improvement was underpinned by strong gains in both the Ginger and Hawaiian Macadamia segments, despite intensified crop risks associated with drought in Hawaii and crop disease in Australia.

Directors' Report

The main factors affecting trading performance in this half-year include:

- A $533k profit improvement in Ginger despite a drop of $535k in revenue. Revenue declined to $13.7m from $14.4m in 2010 while profit (after non-controlling interests) increased from $144k to $677k. This performance improvement was notwithstanding continuing unfavourable $A movements during the period tempering demand from key export markets, particularly Europe. Additionally, the pythium disease continued to plague Australian ginger growers and their ability to meet intake requirements. Additional sources of domestic and overseas ginger have been identified to ensure sales demand continues to be satisfied.

- A ($157k) drop in profits from the Australian Macadamia business. Revenue declined to $5.2m from $6.3m in the corresponding period last year, attributable mainly to lower export sales as a direct result of a lower Australia harvest. Global demand for macadamias continues to exceed supply and inventories remain low. The Australian and Hawaiian Macadamia businesses are working together to satisfy customers' requirements.

- A profit turnaround of $1.5m on the year before in the Hawaiian Macadamia segment despite a $3m drop in sales revenue. Although the severe drought conditions in Hawaii continuing into 2011, better pricing and product mix bolstered margins, while improvements in orchard management and processing operations created efficiencies. Sales revenue declined to $3.5m from $6.6m in 2010 due to kernel shortage. This was supplemented by crop insurance income of $1.8m as part compensation for losses incurred as a result of drought.

- Reduced sales of ($357k) and a ($330k) drop in profit in the Baking business resulted from reduced demand following Queensland's natural disasters at the beginning of the year, combined with continuing negative influences of a struggling economy. Revenue declined from $10.4m to $10.1m. and a loss of ($36k) was reported against a profit of $294k in the previous half-year. Subsequent to the end of the half year, Retail Food Group advised of their intention to transfer production of its main pie and sausage roll lines to another contractor in December 2011. However, the continuing supply of a number of gourmet product ranges to Retail Food Group, further new business and operational restructuring is expected to ensure there is no material adverse impact on profitability.

- Tourism's revenue dropped ($192k) while profits were down ($76k) on the back of an 8% drop in visitor numbers and reduced spend per head. This is a symptom of the current economy, the high $A and their impact on Australian tourism in general.

The previously advised sale and leaseback of the Alstonville property in which the Australian macadamia business operates, was settled in January, proceeds of which were directed to debt reduction.

Directors were pleased with shareholders' response to the non-renounceable rights issue which was conducted in March and April of this period. A total of 41,296,354 ordinary shares were issued under the rights issue and shortfall placement and $4.9m equity was raised. Half of the equity raised was applied to debt reduction with the balance augmenting the group's working capital requirements.

The sale and leaseback of the Alstonville property, combined with a portion of both the equity raising and Hawaiian crop insurance, and normal amortisation payments, contributed to a $9m reduction in interest bearing liabilities since June 2010. $6m of this reduction occurred in the current 6 month period.

The Asset & Capital Structure table on the following page, evidences strengthening of the Group's balance sheet with net debt having dropped $13m and net tangible worth (equity less intangibles) increased by $3m over the last 12 month period. Debt now represents 32.4% of capital employed in Group businesses compared to 48.3% as at 30 June 2010. The improved debt/equity ratio also reflects reduced reliance on external funding having reduced from 115.8% in 2010 to 72.5%.

Looking forward, consistent with the Group's traditional operating cycle, the second half should be much improved as sales increase in the majority of segments and directors expect the company to return to profitability.

Directors' Report

Summarised operating results are as follows:

	Segment Revenues		Segment Results*	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Business segments				
Ginger processing and distribution	13,666	14,201	677	144
Baking operations	10,075	10,432	(36)	294
Tourism operations	1,789	1,978	74	150
Macadamia operations	10,633	12,898	872	(527)
US distribution (Pan Pacific Foods)	—	880	—	(127)
	36,163	40,389	1,587	(66)
Consolidated entity adjustments	(277)	(233)	—	—
Share of profit/(losses) of jointly controlled entitles	—	—	8	(4)
Unallocated expenses	—	—	(1,520)	(788)
Consolidated entity revenue and profit/(loss) from ordinary activities before income tax expense and non-controlling interests	35,886	40,156	75	(858)

NB: Segment results are after non-controlling interests

Asset & Capital Structure:

	Jun-11 $'000	Dec-10 $'000	Jun-10 $'000
Net Gearing			
Debts:			
Interest bearing loans and borrowings	21,359	27,107	30,547
Cash and cash equivalents	(5,309)	(1,638)	(1,742)
Net debt	16,050	25,469	28,805
Total equity	33,442	28,333	30,799
Total capital employed	49,492	53,802	59,604
	32.4%	47.3%	48.3%
Assets funded by external stakeholders			
Total assets	76,367	71,617	84,028
Total liabilities	42,925	43,284	53,229
	56.2%	60.4%	63.3%
Debt/equity			
Total equity	33,442	28,333	30,799
Intangibles	(3,985)	(4,036)	(4,428)
	29,457	24,297	26,371
Interest bearing loans and borrowings	21,359	27,107	30,547
	72.5%	111.6%	115.8%

Directors' Report

Shareholder returns and performance measurements on half-year accounts

	2011	2010	2009	2008	2007	2006
Profit before tax / revenue (%)	**0.2**	**(2.1)**	**(4.1)**	**1.8**	**(0.2)**	**(2.1)**
Profit after tax / equity interests (%)	**0.4**	**(1.8)**	**(2.7)**	**1.1**	**0.2**	**(0.90)**
EBIT ($'000)	**864**	**(11)**	**(973)**	**1,334**	**382**	**(25)**
EBITDA ($'000)	**2,138**	**1,329**	**434**	**2,533**	**1,322**	**964**
Basic earning per share (cents)	**0.17**	**(1.34)**	**(2.27)**	**1.08**	**0.25**	**(0.90)**
Current Ratio (%)	**96.7**	**88.0**	**94.6**	**136.2**	**157.2**	**159.8**
Net tangible asset backing (cents)	**36**	**65**	**72**	**84**	**95**	**88**

Rounding of Amounts to the Nearest Thousand Dollars

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Investments and Securities Commission relating to "rounding off" of amounts in the directors' report and the financial statements to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial statements in accordance with that Class Order.

Auditor's Independence Declaration

A copy of the Independence Declaration by the lead auditor under Section 307c is included on page 12 to this half-year financial report.

Signed in accordance with a resolution of the directors.

S Morrow, Director
Yandina, 31 August 2011

Directors' Report

Auditor's Independence Declaration

BDO

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Australia

DECLARATION OF INDEPENDENCE BY T J KENDALL TO THE DIRECTORS OF BUDERIM GINGER LIMITED

As lead auditor for the review of Buderim Ginger Limited for the half-year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Buderim Ginger Limited and the entities it controlled during the period.

Tim Kendall

T J Kendall

Director

BDO Audit (QLD) Pty Ltd

Brisbane, 31 August 2011

Consolidated Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 30 JUNE 2011

	Notes	CONSOLIDATED 2011 $'000	2010 $'000
Revenue			
Sale of goods		**33,641**	39,518
Cost of sales		**(25,483)**	(30,004)
Gross profit		**8,158**	9,514
Rental revenue		**101**	98
Other income	2(a) (i)	**2,084**	512
Finance revenue		**60**	28
Other Income	5	**2,245**	638
Share of profit/(loss) of jointly controlled entities		**9**	(4)
Selling and distribution expenses		**(5,777)**	(6,096)
Marketing expenses		**(142)**	(214)
Tourism expenses		**(1,015)**	(1,042)
Administration expenses		**(2,614)**	(2,979)
Profit/(loss) before tax, and financing costs		**864**	(183)
Finance costs	2 (a) (ii)	**(789)**	(847)
Profit/(loss) before income tax		**75**	(1,030)
Income tax (expense)/benefit		**44**	310
Net profit/(loss) for the half-year		**119**	(720)
Other comprehensive income/(loss)			
Currency translation		**(148)**	11
Cash flow hedges		**102**	1
Total other comprehensive income		**(46)**	12
Total comprehensive (loss)		**73**	(708)
Total net profit/(loss) is attributable to:			
Equity holders of Buderim Ginger Limited		**119**	(548)
Non-controlling interest		—	(172)
		119	(720)
Total comprehensive income/(loss) is attributable to:			
Equity holders of Buderim Ginger Limited		**73**	(536)
Non-controlling interest		—	(172)
		73	(708)
Basic earnings per share (cents per share)		**0.17**	(1.34)
Diluted earnings per share (cents per share)		**0.17**	(1.34)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

As at 30 June 2011	Notes	CONSOLIDATED		
		30 June 2011	31 December 2010	30 June 2010
		$'000	$'000	$'000
Current assets				
Cash and cash equivalents		**5,309**	1,638	1,742
Trade and other receivables		**10,537**	12,578	12,077
Inventories		**20,879**	15,766	27,964
Prepayments		**945**	1,073	1,443
Current tax asset		**502**	931	443
Derivatives		**86**	24	12
Total current assets		**38,258**	32,010	43,681
Non-current assets				
Receivables		**-**	30	26
Investment accounted for using the equity method		**1,228**	1,219	1,193
Property, plant and equipment		**29,245**	31,499	32,547
Deferred tax asset		**3,651**	2,823	2,153
Intangible assets		**3,985**	4,036	4,428
Total non-current assets		**38,109**	39,607	40,347
Total assets		**76,367**	71,617	84,028
Current liabilities				
Trade and other payables		**16,637**	11,444	17,334
Interest-bearing liabilities		**21,255**	27,006	30,340
Current tax liabilities		**807**	531	167
Provisions		**874**	868	1,819
Derivatives		**4**	44	-
Total current liabilities		**39,577**	39,893	49,660
Non-current liabilities				
Interest-bearing liabilities		**104**	101	207
Deferred tax liabilities		**3,179**	3,224	3,277
Provisions		**65**	66	85
Total non-current liabilities		**3,348**	3,391	3,569
Total liabilities		**42,925**	43,284	53,229
Net assets		**33,442**	28,333	30,799
Equity				
Issued capital	4	**28,044**	23,008	23,008
Reserves		**5,339**	5,385	5,695
Retained profits		**59**	(60)	3,262
Capital and reserves attributable to owners		**33,442**	28,333	31,965
Non-controlling interests		—	—	(1,166)
Total equity		**33,442**	28,333	30,799

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 30 JUNE 2011

	CONSOLIDATED 2011 $'000	CONSOLIDATED 2010 $'000
Cash flows from operating activities		
Receipts from customers	**34,947**	40,303
Payments to suppliers and employees	**(32,325)**	(37,730)
Other receipts	**2,194**	605
Interest received	**60**	28
Interest and other costs of finance paid	**(789)**	(847)
Income tax paid	**(16)**	(150)
Grants received	**136**	208
Goods and services tax (paid)/refunded	**(850)**	(190)
Net cash flows from operating activities	**3,357**	2,227
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1,051)**	(837)
Proceeds from sale of property, plant and equipment	**1,900**	15
Trademark registration	—	(1)
Loan repayments from other entities	—	(26)
Sale of non-controlling interests	**64**	—
Acquisition of non-controlling interest	**(97)**	—
Payment of deferred consideration of acquisition	—	(24)
Net cash flows from/(used in) investing activities	**816**	(873)
Cash flows from financing activities		
Proceeds from borrowings	**613**	494
Repayments of borrowings	**(6,103)**	(1,318)
Proceeds from issue of shares	**4,956**	—
Payment of non-controlling interest	—	(39)
Repayment of finance lease principal	**(37)**	(4)
Net cash flows (used in) financing activities	**(571)**	(867)
Net increase in cash held	**3,602**	487
Add opening cash brought forward	**1,261**	87
Closing cash carried forward	**4,863**	574
Reconciliation of cash		
Cash balance comprises:		
- cash at bank and on hand	**5,309**	1,742
- overdraft	**(446)**	(1,168)
Closing cash balances	**4,863**	574

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 30 JUNE 2011

CONSOLIDATED	*Issued Capital*	*Reserves **			*Retained Profits*	*Total*	*Non-controlling interest*	*Total Equity*
		Asset Revaluation	*Foreign Currency Translation*	*Cash Flow Hedges*				
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
As at 1 January 2010	23,008	6,138	(468)	13	3,810	**32,501**	(994)	**31,507**
Total comprehensive income/(loss) for the half- year ended 30 June 2010								
Net profit/(loss) for half-year	—	—	—	—	(548)	**(548)**	(172)	**(720)**
Other comprehensive income/(loss)								
Currency translation	—	—	11	—	—	**11**	—	**11**
Change in fair value of cash flow hedges	—	—	—	1	—	**1**	—	**1**
Total comprehensive income/(loss) for the half-year	—	—	11	1	(548)	**(536)**	(172)	**(708)**
As at 30 June 2010	23,008	6,138	(457)	14	3,262	**31,965**	(1,166)	**30,799**
Total comprehensive income/loss) for the half- year ended 31 December 2010								
Net profit/(loss) for half-year	—	—	—	—	(1,419)	**(1,419)**	(466)	**(1,885)**
Other comprehensive income/(loss)								
Currency translation	—	—	(355)	—	—	**(355)**	—	**(355)**
Change in fair value of cash flow hedges	—	—	—	(34)	—	**(34)**	—	**(34)**
Total comprehensive income/(loss) for the half-year	—	—	(355)	(34)	(1,419)	**(1,808)**	(466)	**(2,274)**
Transactions with non-controlling interests	—	—	79	—	(1,903)	**(1,824)**	1,632	**(192)**
As at 31 December 2010	23,008	6,138	(733)	(20)	(60)	**28,333**	—	**28,333**

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 30 JUNE 2011

CONSOLIDATED	*Issued Capital*	*Reserves **			*Retained Profits*	*Total*	*Non-controlling interest*	*Total Equity*
		Asset Revaluation	*Foreign Currency Translation*	*Cash Flow Hedges*				
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
As at 31 December 2010	23,008	6,138	(733)	(20)	(60)	**28,333**	—	**28,333**
Total comprehensive income/(loss) for the half- year ended 30 June 2011								
Net profit/(loss) for half-year	—	—	—	—	119	**119**	—	**119**
Other comprehensive income/(loss)								
Currency translation	—	—	(148)	—	—	**(148)**	—	**(148)**
Change in fair value of cash flow hedges	—	—	—	102	—	**102**	—	**102**
Total comprehensive income/(loss) for the half-year	—	—	(148)	102	119	**73**	—	**73**
Transactions with owners in their capacity as owners								
Shares issued on acquisition of non-controlling interest	80	—	—	—	—	**80**	—	**80**
Shares issued under rights Issue	4,767	—	—	—	—	**4,767**	—	**4,767**
Shares issued on placement of rights issue shortfall	189	—	—	—	—	**189**	—	**189**
As at 30 June 2011	28,044	6,138	(881)	82	59	**33,442**	—	**33,442**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 June 2011

1. Basis of Preparation of Half-Year Financial Statements

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Buderim Ginger Limited as at 31 December 2010, which was prepared based on Australian equivalents to International Financial Reporting Standards (‘AIFRS’). It is also recommended that the half-year financial report be considered together with any public announcements made by Buderim Ginger Limited and its controlled entities during the half-year ended 30 June 2011 and up until the date of this report, in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting".

The half-year financial report has been prepared on an accruals basis and is based on historical costs, except for investments, land and derivative financial instruments that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($’000) unless otherwise stated under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the class order applies.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Accounting policies

The same accounting policies and methods of computation have generally been followed in this interim financial report as compared with the most recent annual financial report. As in comparative reporting periods, both working capital facilities and long term amortising/multi-option bills have been classified as current. However, subsequent to balance date, restructured banking facilities were established with Rabobank Australia in July 2011.

The classification of borrowing facilities as current is also a requirement under AASB 101 if an entity breaches an undertaking under a long-term agreement on or before the reporting date. As at 30 June 2011 the company remained in breach of the debt service ratio covenant defined in the facility terms current as at balance date. This breach is irrespective of meeting all interest and amortisation obligations and debt reductions of $5m in excess defined facility re-payments.

Although the breach of banking covenants creates a material uncertainty on the Group’s ability to continue as a going concern and, therefore, its ability to release its assets and discharge its liabilities in the normal course of business, the financial statements have been prepared on a going concern basis as directors have executed a new banking facility with Rabobank Australia subsequent to balance date and are confident of the on-going support of the bank and the extension of all facilities.

(c) Date of issue

This consolidated half-year financial report was authorised for issue by the board of directors on 31 August 2011.

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 June 2011

CONSOLIDATED	2011 $'000	2010 $'000
2. Income and Expenses		
(a) Specific Items		
Profit/(loss) before income tax expense includes the following income and expenses whose disclosure is relevant in explaining the performance of the entity:		
(i) Other income		
Grant income	**—**	213
Hawaiian crop insurance	**1,847**	252
Profit on disposal of plant and equipment	**—**	2
Other income	**237**	45
	2,084	512
(ii) Expenses		
Finance Costs		
Bill facility	**652**	706
Bank loans and overdraft	**137**	141
Total finance costs	**789**	847
Depreciation and amortisation of non-current assets		
Plant and equipment	**1,107**	1,139
Buildings	**167**	201
Total depreciation and amortisation	**1,274**	1,340

(b) Seasonality of Operations

The majority of the group's revenue and profits for the financial year will be reflected in the results of the second half of the financial year. This is consistent with the Group's traditional cycle in the ginger segment, and reflects strong demand for new season macadamia harvests.

3. Dividends Paid and Proposed

	2011 $'000	2010 $'000
(a) **Dividends proposed and recognised as a liability**		
Franked dividends	—	—
(b) **Dividends paid during the half-year**		
Previous year final		
2010: Nil dividend declared;	—	—
2009: Nil dividend declared;		
(c) **Dividends proposed and not recognised as a liability**		
Franked dividends	—	—

Consistent with the prior half-year an interim dividend will not be paid.

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 June 2011 CONSOLIDATED

	Jun-11 $’000	Jun-10 $’000
4. Contributed Equity		
(a) **Issued and paid up capital**		
Ordinary shares fully paid	**28,044**	23,008

(b) **Movements in shares on issue**

	2011		2010	
	Number of shares	$’000	Number of shares	$’000
Beginning of the financial period	**40,896,353**	**23,008**	40,896,353	23,008
Issued during the period				
- acquisition of non-controlling interest (i)	**400,000**	**80**	—	—
- non-renounceable rights issue (ii)	**39,720,992**	**4,767**	—	—
- placement of rights issue shortfall (iii)	**1,575,362**	**189**	—	—
End of the financial period	**82,592,707**	**28,044**	40,896,353	23,008

(i) A total of 400,000 shares were issued on 9 March 2011 as part settlement of the acquisition of 25% of non-controlling interests in Buderim Macadamia of Hawaii, dba MacFarms of Hawaii which was effective 31 December 2010.

(ii) A total of 39,720,992ordinary shares were issued on 21 April 2011 at a value of 12 cents per share under the company’s non-renounceable rights issue.

(iii) A total of 1,575,362 ordinary shares were issued on 21 April 2011 at the value of 12 cents per share to make up the shortfall on the non-renounceable rights issue.

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 June 2011

5. Segment Information

Description of segments

The group has adopted AASB 8 Operating Segments whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision makers (the Board and executive management who makes strategic decisions).

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets, and thus form the basis of the reports reviewed by the Board and the executive management committee.

The reportable segments for the half year ending 30 June 2011 were as follows:

- Ginger - manufacture in Australia and Fiji of a variety of confectionery ginger and other ginger-based products and marketing to industrial, food service and retail customers throughout the world;
- Macadamias – Australia - processing in Australia of macadamia products and marketing to wholesale and retail customers throughout the world;
- Macadamias - Hawaii - production and processing in the USA of macadamia products and marketing to wholesale and retail customers throughout North America;
- Baking - manufacture of a variety of frozen bakery products and marketing to both food service and retail customers throughout Australia; and
- Tourism - the sale of ginger and other retail gift and food products, and the provision of leisure activities within the Australian tourism market.

Other

The Fiji ginger business is not a reportable segment under AASB 8, since its results are not reviewed by Board and management executive separately from the rest of the ginger business. As such it is not a separate operating segment and cannot be a separate reporting segment. Information about the Fiji ginger business has been disclosed within the Ginger segment.

The group generally accounts for inter-segmental sales and transfers as if the sales or transfers were to third parties at current market prices. This results in transfer pricing between business segments, being set at on an arms length basis. Revenues are attributed to geographic areas based on the location of the assets producing the revenues.

Segment accounting policies are the same as the consolidated entity's policies. During the half-year, there were no changes in segment accounting policies that had a material effect on the segment information. The basis for determining segments and the basis of measuring profit or loss, has not changed from the last annual financial statements.

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 June 2011

5. Segment Information (continued)

Reportable segments

Segment information provided to the Board and executive management committee for the half-year ended 30 June 2011 is as follows:

	Ginger		Baking		Tourism		Macadamias Australia		Macadamias Hawaii		US Distribution		Total	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000	**2011 $'000**	2010 $'000	**2011 $'000**	2010 $'000	**2011 $'000**	2010 $'000	**2011 $'000**	2010 $'000	**2011 $'000**	2010 $'000
Income														
Sales to external customers	**13,191**	13,565	**10,057**	10,416	**1,688**	1,880	**5,160**	6,212	**3,545**	6,570	—	875	**33,641**	39,518
Other revenue from external customers	**245**	403	**18**	16	**101**	98	**32**	116	**1,849**	—	—	5	**2,245**	638
Intersegment sales	**230**	233	—	—	—	—	**47**	—	—	—	—	—	**277**	233
Total segment revenue	**13,666**	14,201	**10,075**	10,432	**1,789**	1,978	**5,239**	6,328	**5,394**	6,570	—	880	**36,163**	40,389
Consolidated entity adjustments													**(277)**	(233)
Total Income													**35,886**	40,156
Results														
Segment result after outside equity interest	**677**	144	**(36)**	294	**74**	150	**(143)**	(14)	**1,015**	(513)	—	(127)	**1,587**	(66)
Share of profit/(loss) of jointly controlled entities'	—	—	—	—	**8**	(4)	—	—	—	—	—	—	**8**	(4)
Corporate overhead expenses	**(667)**	(270)	**(366)**	(231)	**(62)**	(42)	**(194)**	(118)	**(231)**	(127)	—	—	**(1,520)**	(788)
Contribution to group profit/(loss)*	**10**	(126)	**(402)**	63	**20**	104	**(337)**	(132)	**784**	(640)	—	(127)	**75**	(858)
Finance costs	**395**	318	**199**	208	**40**	32	**(30)**	86	**185**	190	—	13	**789**	847
Depreciation & amortisation	**523**	482	**323**	305	**85**	129	**147**	207	**196**	217	—	—	**1,274**	1,340
EBITDA	**928**	674	**120**	576	**145**	265	**(220)**	161	**1,165**	(233)	—	(114)	**2,138**	1,329

	2011 $'000	2010 $'000
Contribution to group profit/(loss) *	**75**	(1,030)
Non-controlling interest	—	172
Profit/(loss) before income tax	**75**	(858)
Income tax (expense)/benefit	**44**	310
Net profit/(loss) for the year	**119**	(548)

Notes to the Consolidated Financial Statements

For the Half-Year Ended 30 June 2011

6. Disposal of Property, Plant & Equipment

As disclosed in the annual report for the year ended 31 December, 2010 as an event after balance date, the settlement of the Sale and Leaseback of the Alstonville property occurred on 28 January 2011. The property was sold for $1.9m (excluding GST), the proceeds from which were used to reduce the company's debt with Rabobank Australia. On this date, Buderim Macadamias Pty Ltd entered into a 7 year lease arrangement with the new property owner, with an option to renew for a further period of 7 years.

7. Related Party Transactions

Directors

S.T. Templeton is a director of Templeton Ginger Pty Ltd. Ginger supplies were purchased during the half-year from Templeton Ginger Pty Ltd to the value of $578,700 (2010: $448,900) in a normal customer relationship on terms and conditions no more favourable than those available on similar transactions to other suppliers.

Joint venture entity

Buderim Ginger Limited holds a 50% interest in the joint venture entity, Ginger Head Quarters Pty Ltd (GHQ). During the six months ended 30 June 2011, sales to GHQ amounted to $256,527 (2010: $261,002) and purchases from GHQ amounted to $328,216 (2010: $330,542). These transactions are conducted on an arms length basis.

8. Contingent Assets and Liabilities

Since the last annual reporting date, there has been no material change of any contingent liabilities or contingent assets.

9. Events Subsequent To Balance Date

In July 2011, Retail Food Group informed Buderim Baking of its intention to transfer contract production of its main pie and sausage roll lines to another contractor in December 2011. This is expected to result in reduced sales for the baking business. However, Directors believe that the continuing supply of gourmet product ranges to Retail Food Group and the implementation of further business improvement strategies, should ensure continuing profitability in the baking segment.

In July 2011, Directors executed restructured banking facilities with Rabobank Australia.

In the opinion of the directors, there were no other significant changes in the state of affairs of the group that occurred during the financial period under review or in the period since, not otherwise disclosed in this report or the financial reports.

10. Rounding of Amounts

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the directors' report and the financial statements to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial statements in accordance with that Class Order, unless otherwise stated.

Director's Declaration

The directors of the company declare that:

(a) the attached financial statements and notes are in accordance with the Corporations Act 2001 and:

(i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(ii) give a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of the performance for the half-year ended on that date; and

(b) in the opinion of the directors, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

S.Morrow
Director
Yandina, 31 August 2011

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Buderim Ginger Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Buderim Ginger Limited, which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2011and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Buderim Ginger Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Buderim Ginger Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Buderim Ginger Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Regarding Working Capital Deficiency

Without qualifying our conclusion, we draw attention to note 1(b) in the half-year financial report which indicates that Buderim Ginger Limited has a working capital deficiency. This deficiency is due to the consolidated entity breaching its bank covenants which has resulted in all amounts owing under the facility being classified as current as at 30 June 2011. This condition indicates the existence of a material uncertainty which may cast doubt about the consolidated entity's ability to continue as a going concern.

BDO Audit (QLD) Pty Ltd

BDO

Tim Kendall

T J Kendall

Director

Brisbane, 31 August 2011