



Market Announcement

31 August 2011

Buderim Ginger's 2011 Half Year Result

ASX Code: *BUG*

Food processor Buderim Ginger Limited today announced the audited trading results for the half year ended 30th June 2011 resulted in a net profit before tax of \$75K which represented an improvement of \$933K on the loss of (\$858K) reported in the corresponding period last year.

Company Chairman, Steve Morrow, said the result was pleasing given the adverse impacts of crop disease in the Australian Ginger crop and the stronger Australian dollar which occurred during the period. In addition drought conditions in Hawaii resulted in a record low macadamia crop, the financial impact of which was partially offset by a crop insurance payment. The reduced crop supply in both ginger and macadamias collectively contributed to a 10.7% reduction in reported revenue to \$35.9 million for the half year (\$40.2 million in 2010).

Bakery revenues were impacted by the effects on customers of the Queensland floods. The company is still assessing the impact of the loss of the Brumbies pie contract which will occur later this year, which may have an adverse affect on earnings next year.

The ginger crop shortage in Australia has been addressed by alternative sourcing of semi- processed ginger from the company's Fijian subsidiary as well as from Asia, which is being further processed at the company's Yandina factory. The local crop is expected to improve in 2012 and will again be supplemented by imported product. The macadamia business in Hawaii which has been drought affected in recent years has had good seasonal rainfall which will positively affect results in the second half of 2011 and also, more significantly, the first half of 2012.

Mr Morrow added that restructuring actions taken by the company in response to the poor results of the previous two years are continuing and should result in further improvement to company performance

Looking forward, and consistent with the Group's traditional operating cycle the second half will be much improved as sales increase in the majority of segments. Directors expect the company to return to profitability for the full year to December 2011.

End

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