CHAIRMAN'S ADDRESS

Annual General Meeting

Friday April 29, 2011 at 10.00am

50 Pioneer Road,

Yandina. Qld

CHAIRMAN ADDRESS

Good Morning!

In presenting this address to you we will break with the practice of previous years. There will only be one address from the podium and there will not be a separate CEO's address – however our Chief Executive Officer – Ron O'Grady – is here to participate in any discussion or questions that may follow.

I do not intend to read the Chairman's report from the Annual Report – you have all received copies of that document well in advance of the meeting (and there are further copies here for you) and have had the opportunity to digest its contents.

What I do want to do is to both highlight the more significant parts of that document and to provide more up-to-date information on some aspects of our businesses. We will of course welcome questions and discussion at the conclusion.

At the outset I should make it clear that your directors and management share your disappointment at the continuing poor performance of the group. While there are a number of factors (some controllable and some not) underlying the results, the bottom line is that we were not profitable last year. In the Annual Report we have noted how revenues were down on the 2009 year and that we did not return to profitability and the reasons for that situation. As a board and as a renewed management group we have been working through the issues facing the company and effecting changes to reverse the situation where they are controllable by us. Some changes can take some time to effect – for instance customer and supplier trading terms and prices – others have a more immediate effect. You can be assured that we are working on a range of issues across all our businesses with the focus of returning a profit in this financial year, and laying the groundwork for further improvements in the years thereafter.

While the 2011 year is only a few months old there are a number of factors that are impacting on our revenues and profitability. While our ginger revenues may be subdued in this year, there are a number of operational changes we are making that should prevent the profitability being similarly depressed. The Australian and US macadamia crops for the year are looking sound and the world-wide price of the nuts is being sustained so that we should see improved profitability from these divisions. Baking and tourism continue on a steady path On balance, these factors should prove to be positive.

Banking

While technical default of the Company's banking covenants remains and is reflected in classification of all debt as "current" on our balance sheet, it is worthwhile making the following observations

- Our bankers, Rabo Australia, have been supportive during the past years which we acknowledge
- We have always met our scheduled interest and principal repayments on our facilities
- Our total debt reductions to date have been sourced from a mixture of operating cash flows, asset sales (in particular the Alstonville land) and the recent equity raising.

We anticipate that our external debt will be approximately $20m at year end.

Currency

The strength of the Australian dollar against most world currencies continues to dampen our export ambitions. In this calendar year it has rarely been below parity against the US dollar and has reached near record highs against US, Euro and GBP – our three major trading currencies. Most commentators believe that these rates will be sustained for the foreseeable future. The relatively high pricing of Australian goods definitely affects quantities sold. This is probably felt most keenly in the ginger business. However, we are having some success in retaining markets in spite of adverse currency conditions. An offsetting factor has been the relative scarcity in world markets for ginger and macadamias which has kept prices higher than in the past.

Climate

The severe climatic conditions of the New Year in Queensland impacted on the group in the Ginger and Baking divisions. However the impact was not severe. The extremely wet conditions exacerbated the pythium on the Australian ginger crop and made harvesting conditions more challenging for the growers. The baking division experienced disruption to its supply chains as flooding affected transportation in and out of South-East Queensland, and the generally subdued retail market conditions. Our Tourism operations have been behind last year's , albeit with increased visitors over last year at the January Ginger Festival, and are probably reflecting both the adverse weather conditions and a generally subdued retail sector.

On a more positive note, while in 2010 our Hawaiian macadamia orchard suffered from the worst drought in many decades, over the past four months rain patterns have become more normal and the prospect for the 2011/12 crop which begins harvesting in August are good.

Operating Divisions' Performance and Prospects

Ginger

The effect of the pythium pathogen on the Australian ginger crop has been well publicised. Our intake from local growers this year has been substantially reduced. We are fortunate that there are other sources of supply and we have been encouraged by our capacity to satisfactorily substitute for Australian ginger in certain product and client lines.

We have been assisted by a strong crop in Fiji which has allowed the group to substantially satisfy both traditional markets in Europe and UK and to supplement our Australian intake.

Macadamias

We reported in the Annual Report that we had successfully disengaged from our US minority interests. The practical effect of this was that, at a very modest cost, the Group now solely controls both the macadamia orchard and the processing operations on the main island of Hawaii, and a retail macadamia brand (MacFarms of Hawaii). Our industrial ginger sales in the USA have reverted to our own sales team. We are looking to improve, through contractual arrangements, both the processing volumes through our Hawaiian factory, and our US based retail macadamia and retail ginger product distribution.

Baking

The better performance of the baking division in the previous year led to the Board's decision to defer any plans for sale of that division. While this year's operations to date have been slightly behind our expectations, we believe that the full year's results will further vindicate the decision to retain the division.

Shareholdings

You would all be aware of our recent share rights issue. All the arrangements were concluded two weeks ago. While we have made the relevant market announcements, it may be of interest for me to summarise the results:

- The amount raised through the Rights Issue was $4.77m.
- Some 29% of shareholders took up their full entitlement, resulting in the issue of 22,802,236 shares, and
- A further 16,918,754 shares were issued to shareholders who applied for additional shares through the Shortfall plan.

There has been some change in the top 20 shareholding as major shareholders responded to the offer in terms of their own circumstances. Our largest shareholder now controls 32.6% of the issued capital and the top 20 68% (up/down from 58%.).

While the market for the company's shares is traditionally quite thin, we hope that the share price will improve but for that occur we need to demonstrate profitability.

Your directors are pleased with the result – it showed that most shareholders were prepared to support the company and the funds raised will be very usefully employed in growing our businesses.

Board and Management

With the finalisation of the current equity initiatives and the future of the Group becoming clearer, the Board is now turning to address the issues of board renewal and senior executive appointments.

At the conclusion of the AGM I will retire as Chairman subject to being re-elected later in the meeting. I have been asked to remain on the Board and intend to do so. Steve Morrow will assume the Chair. Steve has been a director of the company for the past year and is an experienced company director and chairman. He has the energy and capacity to lead the company in its next phase. At this time the Board is seeking two additional directors who will be appointed in the near future. They will have specific skill sets for the company to support management in returning the company to profitability.

I reiterate that the key areas of strategic focus for the 2011 year are:

- Rearranging the Ginger Division to better diversify crop risk and to improve production efficiencies;
- Actively managing the Australian and US macadamia operations as a sole owner and developing a business with significant global reach; and
- When profitability returns, looking to Increase our involvement in the Australian macadamia industry;

You may have noted that we have started to recognise the group's 70th birthday this year in our publications. Of course the anniversary in September is of the Ginger growers co-operative from which the company evolved, and has in more recent years expanded its activities out of ginger. However we felt that the milestone should be recognised and celebrated. The group has gone through lean times and prosperous times over the last seven decades, but has remained an important and Australian-owned participant in the business, and we believe that it will continue to progress in the years to come.

It is now appropriate for me to open the meeting to questions from shareholders. We will endeavour to provide full and complete answers through myself, or other directors and senior members of the management team.

Thank you for your attention.