



## **MARKET ANNOUNCEMENT**

**30 July 2010**

### **BUDERIM GINGER LIMITED POSTS IMPROVED YEAR-ON-YEAR RESULTS**

QUEENSLAND agribusiness, Buderim Ginger Limited, today advised of its expected trading results for the half year to 30 June 2010 which will show significant improvement on the comparative 2009 half year.

Company Chairman, Stephen Maitland, said that the unaudited accounts for the half year to 30 June 2010 showed a rise in Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) from \$434,000 in 2009 to more than \$1.3 million in 2010 on an almost unchanged revenue base of just over \$40 million.

He said that due to seasonal factors, the Group's first half was traditionally weaker and it was expected that final accounts will record a much reduced pre-tax net loss of around \$850,000 compared with the the loss of nearly \$1.7 million in 2009.

"These results signify the commencement of the forecast turnaround in operating performance for most of the Group's businesses," Mr Maitland said.

"The year-on-year improvement was underpinned by particularly strong gains in both the baking and macadamia business units which underperformed last year," he said.

However Buderim Ginger Limited has signaled that it still faces various challenges including uncertain economic conditions in key export markets, the continued strength of the Australian dollar, the short supply of the Australian ginger crop in 2010 and worsening drought conditions in the US State of Hawaii where the Group's primary macadamia orchard is located.

"Despite these factors, the Group's latest full year projections show EBITDA rising from \$0.8 million in 2009 to around \$5 million in 2010," Mr Maitland said.

"This will generate a strong projected turnaround in pre-tax net profit from a loss of \$3.5 million in 2009 to a small net operating profit in 2010.

"These projections do not include any of the upside from the property sales and other initiatives from our recently announced Strategic Review," he said.

The initiatives include plans for Buderim Ginger Limited to re-focus on its core ginger and macadamia agribusiness and sell part of its under-utilised and non profit-generating land holdings on Queensland's Sunshine Coast.

Buderim Ginger Limited is currently in negotiations with its Bank to renew facilities following the outcomes of the Strategic Review and the associated implementation plan.

The Group's improved operating performance in 2010 and forward outlook supported these negotiations and the Company expects to finalise new facilities during the third quarter of 2010," Mr Maitland said.

Meanwhile, after more than nine years as Managing Director and Chief Executive of Buderim Ginger Limited, Gerard O'Brien has signalled his intention to leave the position by the end of this calendar year.

Mr O'Brien has guided the Company through a period of remarkable change and rapid growth.

The Board will put an executive search process in place to identify and attract a new CEO to lead the Group through its next phase of development.

**ENDS**

For further information please contact:

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