Buderim Ginger Limited

50 Pioneer Road
Yandina, Queensland, 4561
Telephone: (07) 5446 7100
Facsimile: (07) 5446 7520

ABN 68 010 978 800

ASX Code: BUG

Appendix 4D

For the six months ended 30 June 2010.

Contents

Appendix 4D - Half year report	3
Results for announcement to the market	3
Net tangible asset backing	4
Change in composition of entity	4
Details of associates and joint venture entities	4
Accounting standards and policies	5
Independent Review	5
Corporate Information	6
Directors' Report	8
Directors	8
Earnings per share	8
Dividends	8
Review and results of operations	8
Shareholder returns and performance measurements on half-year accounts	10
Rounding of amounts	10
Auditor's independence declaration	11
Consolidated Statement of Comprehensive Income	12
Consolidated Statement of Financial Position	13
Consolidated Statement of Cash Flows	14
Consolidated Statement of Changes in Equity	15
Notes to the Financial Statements	17
Note 1 - Basis of Preparation of Half-Year Financial Statements	17
Note 2 - Revenue and Expenses	18
Note 3 - Dividends Paid and Proposed	18
Note 4- Contributed Equity	19
Note 5- Segment Information	20
Note 6- Contingent Assets and Liabilities	22
Note 7- Events Subsequent to Balance Date	22
Note 8- Rounding of Amounts	22
Directors' Declaration	23
Independent Review Report	24

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 2010

Results for announcement to the market

			$A'000
Revenue from operations	Down 2%	to	40,156
Profit after tax attributable to members	UP (from ($930k))	to	(548)
Net profit for the period attributable to members	UP (from ($930k))	to	(548)

Dividends (distributions)	Amount per security	Franked amount per security
Current period Final dividend Interim dividend *(It is not proposed to pay an interim dividend)*	 Nil ¢ Nil ¢	 Nil¢ Nil ¢
Previous corresponding period Final dividend Interim dividend *(An interim dividend was not proposed)*	 2.5 ¢ Nil ¢	 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 consolidated entity recorded an after tax loss of ($548k) after allowance for non-controlling interest for the half-year ended 30 June 2010 compared to a loss of ($930k) attributed to equity holders of Buderim Ginger Limited in the corresponding period last year. Before-tax and non-controlling interest, the Group recorded a loss of ($1.03m), versus a loss of ($1.95m) in the corresponding period last year.

While Group revenue was slightly down at $40.2m ($40.8m in the prior year), EBITDA increased from $434k in 2009 to $1.3m in 2010. The main factors for the half-year were:

- Ginger sales increased 4% to $14.2m despite continuing negative global economic conditions, profit declined from $949k in 2009 to $186k as one-off favourable factors in 2009 were not repeated.
- Group Macadamia revenue declined 10% to $12.9m due to supply shortages in both Australia and Hawaii. However, profitability was significantly lifted by $631k to a loss of ($698k) as both operations and pricing improved.

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

- Baking revenue rose 3% to $10.4m, while operational gains listed profitability strongly to $294k against a loss of ($471k) in the corresponding period last year.

- Tourism revenue was almost unchanged at $1.98m while profitability was slightly reduced to $150k. The result is positive compared to the broader domestic tourism market which remains difficult.

During the first half, Directors engaged Ernst & Young to undertake a comprehensive study of the Group's global operations to determine strategic actions to restructure the group's operations, reduce debt and restore value to shareholders. The outcomes of this review were announced on 15 July 2010 and will principally see the Group re-focus on its core ginger and macadamia agribusiness. In addition, the Group will implement various debt reduction strategies including the sale of the under-utilised and non-profit generating land and the divestment of Baking operations. The company continues to negotiate with its financier, Rabobank, to restructure facilities. As a consequence, the Group has continued to classify all debt as current at the half-year and Directors expect that new facilities will be documented during the second half of 2010.

Looking forward, consistent with the Group's traditional operating cycle, the second half is expected to be much stronger as sales increase. Accordingly, Group EBITDA is expected to be substantially improved at around $5m for the full year to 31 December 2010, versus an EBITDA of $0.8m in 2009.

The half-year accounts should be read in conjunction with the annual financial report for the financial year ended 31 December 2009.

Net tangible asset backing	Current year	Previous year
Net tangible asset backing per ordinary security	65 cents	72 cents

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 2010 is ($5k) (2009: ($40k)).

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

Compliance statement

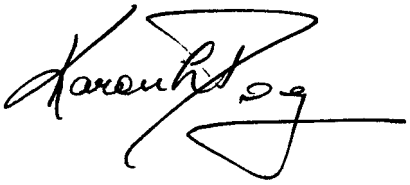
1 Accounting Standards and Policies

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 Australian 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 financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting 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: ..... Date: ...24 August 2010.....
(Company Secretary)
Print name: Karon L. Rogers

ABN 68 010 978 800
ASX Code: BUG

Directors
Stephen J. Maitland (Chairman)
Gerard D. O'Brien (Managing Director)
Shane T. Templeton
Steve J. Morrow

Company Secretary
Karon L. Rogers

Senior Management
Gerard D. O'Brien (Chief Executive Officer)
Karon L. Rogers (Chief Financial Officer)
Paul G. Ritchie (General Manager - Ginger)
Darren R. Burton (General Manager – Agrimac)
John H. Wilkie (General Manager – MacFarms of Hawaii)
Dan J. Cashin (General Manager – Buderim Baking)
Nichole L. Seymore (General Manager – Tourism)
Matthew H. Fuller (General Manager – Pan Pacific Foods)
Adam B. Cunningham (Group Commercial Manager)

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

Solicitors
DLA Phillips Fox
Waterfront Place
1 Eagle Street
Brisbane, Queensland, 4000
Telephone: (07) 3246 4000
Facsimile: (07) 3229 4077

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
307 Queen Street
Brisbane, Queensland, 4000
Telephone: 1300 552 270 (within AUS)
+61 3 9415 4000 (outside AUS)
Facsimile: (07) 3237 2152

Australian Head Office & Registered Office
50 Pioneer Road
Yandina, Queensland, 4561
Telephone: (07) 5446 7100
Facsimile: (07) 5446 7520
Email: buderimg@buderimginger.com

United Kingdom Office
Buderim Ginger (UK) Limited
Kings Avenue House
Kings Avenue, New Malden
Surrey, London KT3 4DT
Telephone: 44 208 942 8150
Facsimile: 44 208 949 5805
Email: sales@buderimginger.co.uk

United States Office
Buderim Ginger America, LLC
Pan Pacific Foods, LLC
850 Montgomery Street, Suite 350,
San Francisco, CA 94133
United States of America
Telephone: 415 399 1211
Facsimile: 415 358 9769
Email: mfuller@panpacificfoods.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 2010.

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 2010.

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:

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

Gerard Daniel O'Brien, B Admin., MBA (Georgetown), CPA, MAICD (Managing Director)

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

Steve John Morrow, B.Ag Econ., MAICD (appointed 26 February 2010)
(Non-executive Director and Member of the Audit & Compliance Committee)

John Michael Ruscoe resigned as Non-executive Chairman and Director of the company on 30 April 2010.
John Howard Philip Roy, a Non-executive Director was in office for the half-year and until his passing on 11 July 2010.

Company Secretary

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

Earnings per share

	Cents
Basic earnings per share	(1.34)
Diluted earnings per share	(1.34)

There were no options issued or exercised during the period.

Dividends

	Cents	$'000
Dividends paid during the half-year		
Final for 2009	Nil	Nil

Subsequent to the end of the 2009 year, Directors declared that no dividend be paid for the year ended 31 December 2009.

Review and results of operations

The consolidated entity recorded an after tax loss of ($548k) attributable to equity holders of Buderim Ginger Limited after allowance for non-controlling interest for the half-year ended 30 June 2010 compared to a loss of ($930k) in the corresponding period last year. Before-tax and non-controlling interest, the Group recorded a loss of ($1.03m), versus a loss of ($1.95m) in the corresponding period last year.

While Group revenue was slightly down at $40.2m ($40.8m in the prior year), EBITDA increased from $434k in 2009 to $1.3m in 2010. The year-on-year improvement was underpinned by strong gains in both the baking and macadamia segments. The main factors include:

- Despite reduced demand in key export markets, particularly the UK and Europe, due to continuing negative global economic conditions, Ginger sales increased 4% to $14.2m. Profit however declined from $949k in 2009 to $186k as one-off factors in 2009 were not repeated.

Directors' Report

- Group Macadamia revenue declined 10% to $12.9m for the half-year due to supply shortages in both Australia and Hawaii. Drought conditions in Hawaii have reduced the availability of Nut In Shell while the Australian macadamia crop is also forecast to be much lower than anticipated. Despite this, profitability was significantly lifted by $631k to a loss of ($698k) for the combined macadamia business. Global demand in the macadamia business exceeds supply and global inventories are low. Despite tight supply, the Group's Australian operation, Agrimac, is positively well placed for the year ahead.

- Baking revenue rose 3% to $10.4m, while profitability lifted strongly to $294k against a loss of ($471k) in the corresponding period last year. Forecast operational improvements have driven these gains and are expected to continue in the second half.

- Tourism revenue at $1.98m was almost unchanged while profitability was slightly reduced to $150k. The result is positive compared to the broader domestic tourism market due to economic factors.

During the first half, Directors engaged Ernst & Young to undertake a comprehensive study of the Group's global operations to determine strategic actions to restructure the Group's operations, reduce debt and restore value to shareholders. The outcomes of this review were announced on 15 July 2010 and will principally see the Group re-focus on its core ginger and macadamia agribusiness. In addition, the Group will implement various debt reduction strategies including the sale of under-utilised and non-profit generating land at the Yandina site. It is intended that this land be developed for sale as smaller industrial lots, subject to relevant local government approvals. The Company has also announced it will divest its Baking operations.

Following the outcomes of the Strategic Review, the company continues to negotiate with its financier, Rabobank, to restructure facilities. As a consequence, the Group has continued to classify all debt as current at the half year but Directors expect that new facilities will be documented during the second half of 2010.

Looking forward, consistent with the Group's traditional operating cycle, the second half is expected to be much stronger as sales increase. Accordingly, Group EBITDA is expected to be substantially improved at around $5m for the full year to 31 December 2010, versus an EBITDA of $0.8m in 2009.

Summarised operating results are as follows:

	Segment Revenues		Segment Results	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Operating segments				
Ginger operations	14,201	13,630	186	949
Baking operations	10,432	10,113	294	(471)
Tourism operations	1,978	1,971	150	186
Macadamia operations	12,898	14,325	(698)	(1,329)
US distribution (Pan Pacific Foods)	880	898	(170)	44
	40,389	40,937	(238)	(621)
Consolidated entity adjustments	(233)	(117)	—	—
Share of profit/(losses) of jointly controlled entitles	—	—	(4)	(13)
Unallocated expenses	—	—	(788)	(1,314)
Consolidated entity revenue and profit/(loss) from ordinary activities before income tax expense and non-controlling interests	40,156	40,820	(1,030)	(1,948)

Directors' Report

Shareholder returns and performance measurements on half-year accounts

	2010	2009	2008	2007	2006	2005
Profit before tax / revenue (%)	**(2.1)**	**(4.1)**	**1.8**	**(0.2)**	**(2.1)**	**0.9**
Profit after tax / equity interests (%)	**(1.8)**	**(2.7)**	**1.1**	**0.2**	**(0.90)**	**1.1**
EBIT ($'000)	**(11)**	**(973)**	**1,334**	**382**	**(25)**	**527**
EBITDA ($'000)	**1,329**	**434**	**2,533**	**1,322**	**964**	**1,446**
Basic earning per share (cents)	**(1.34)**	**(2.27)**	**1.08**	**0.25**	**(0.90)**	**0.90**
Current ratio (%)	**88.0**	**94.6**	**136.2**	**157.2**	**159.8**	**190.7**
Net tangible asset backing (cents)	**65**	**72**	**84**	**95**	**88**	**75**

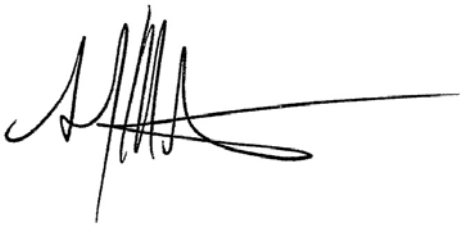
Rounding of Amounts to the Nearest Thousand Dollars

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.

Auditor’s Independence Declaration

A copy of the Independence Declaration by the lead auditor under Section 307C is included on page 11 to this half-year financial report.

Signed in accordance with a resolution of the directors.



S Maitland, Director
Yandina, 24 August 2010

Directors' Report

Auditor's Independence Declaration

Tel: +61 7 3237 5999Fax: +61 7 3221 9227
www.bdo.com.au

Level 18, 300 Queen St Brisbane QLD 4000,GPO Box 457 Brisbane QLD 4001Australia

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 2010, 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.

T J Kendall
Director
BDO Audit (QLD) Pty Ltd

Brisbane, 24 August 2010

Consolidated Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 30 JUNE 2010

	Notes	CONSOLIDATED 2010 $'000	2009 $'000
Revenue and other income			
Sale of goods		**39,518**	39,558
Cost of sales		**(30,004)**	(30,689)
Gross profit		**9,514**	8,869
Rental revenue		**98**	93
Other income	2(a) (i)	**512**	1,147
Finance revenue		**28**	22
Other income		**638**	1,262
Share of profit/(loss) of jointly controlled entity		**(4)**	(13)
Selling and distribution expenses		**(6,096)**	(6,566)
Marketing expenses		**(214)**	(295)
Tourism expenses		**(1,042)**	(1,007)
Administration expenses		**(2,979)**	(3,488)
Profit/(loss) before tax and finance costs		**(183)**	(1,238)
Finance costs	2 (a) (ii)	**(847)**	(710)
Profit/(loss) before income tax		**(1,030)**	(1,948)
Income tax (expense)/benefit		**310**	753
Net profit/(loss) for the half-year		**(720)**	(1,195)
Other comprehensive income/(loss)			
Currency translation		**11**	(1,260)
Cash flow hedges - Gain taken to equity		**1**	252
Total other comprehensive income/(loss)		**12**	(1,008)
Total comprehensive income/(loss)		**(708)**	(2,203)
Total net profit/(loss) after tax is attributable to:			
Equity holders of Buderim Ginger Limited		**(548)**	(930)
Non-controlling interest		**(172)**	(265)
		(720)	(1,195)
Total comprehensive income/(loss) for the half-year is attributable to:			
Equity holders of Buderim Ginger Limited		**(536)**	(1,938)
Non-controlling interest		**(172)**	(265)
		(708)	(2,203)
Basic earnings per share (cents per share)		**(1.34)**	(2.27)
Diluted earnings per share (cents per share)		**(1.34)**	(2.27)

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 2010	Notes	CONSOLIDATED		
		30 June 2010	31 December 2009	30 June 2009
		$'000	$'000	$'000
Current assets				
Cash and cash equivalents		**1,742**	1,059	821
Trade and other receivables		**12,077**	13,332	11,671
Inventories		**27,964**	24,448	34,554
Prepayments		**1,443**	714	939
Current tax asset		**443**	1,259	269
Derivatives		**12**	13	259
Total current assets		**43,681**	40,825	48,513
Non-current assets				
Receivables		**26**	—	75
Investment in entity accounted for using the equity method		**1,193**	1,222	1,220
Property, plant and equipment		**32,547**	32,968	34,452
Deferred tax asset		**2,153**	837	1,260
Intangible assets		**4,428**	4,335	4,587
Total non-current assets		**40,347**	39,362	41,594
Total assets		**84,028**	80,187	90,107
Current liabilities				
Trade and other payables		**17,334**	13,446	17,942
Interest-bearing liabilities		**30,340**	30,501	32,426
Current tax liabilities		**167**	69	—
Provisions		**1,819**	843	829
Derivatives		**-**	-	25
Total current liabilities		**49,660**	44,859	51,222
Non-current liabilities				
Interest-bearing liabilities		**207**	360	527
Deferred tax liabilities		**3,277**	3,368	4,269
Provisions		**85**	93	76
Total non-current liabilities		**3,569**	3,821	4,872
Total liabilities		**53,229**	48,680	56,094
Net assets		**30,799**	31,507	34,013
Equity				
Contributed equity	4	**23,008**	23,008	23,008
Reserves		**5,695**	5,683	6,200
Retained profits		**3,262**	3,810	4,595
Capital and reserves attributable to owners of Buderim Ginger Limited		**31,965**	32,501	33,803
Non-controlling interests		**(1,166)**	(994)	210
Total equity		**30,799**	31,507	34,013

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 2010

	CONSOLIDATED	
	2010 $'000	2009 $'000
Cash flows from operating activities		
Receipts from customers	**40,303**	44,009
Payments to suppliers and employees	**(37,730)**	(47,895)
Other receipts	**605**	555
Interest received	**28**	22
Interest and other costs of finance paid	**(847)**	(710)
Income tax paid	**(150)**	(379)
Grants received	**208**	653
Goods and services tax (paid)/refunded	**(190)**	(137)
Net cash flows from/(used in) operating activities	**2,227**	(3,882)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(837)**	(1,872)
Proceeds from sale of plant and equipment	**15**	—
Trademark registration	**(1)**	(1)
Loan repayments from other entities	**15**	172
Loans to other entities	**(41)**	—
Investments	—	(435)
Payment of deferred consideration of acquisition	**(24)**	(378)
Net cash flows used in investing activities	**(873)**	(2,514)
Cash flows from financing activities		
Proceeds from borrowings	**494**	6,731
Repayments of borrowings	**(1,318)**	(2,582)
Payment of dividends on ordinary shares (net of dividend reinvestment)	—	(256)
Payment of non-controlling interest	**(39)**	(125)
Repayment of finance lease principal	**(4)**	(42)
Net cash flows from/(used in) financing activities	**(867)**	3,726
Net increase/(decrease) in cash held	**487**	(2,670)
Add opening cash brought forward	**87**	2,133
Closing cash carried forward	**574**	(537)
Reconciliation of cash		
Cash balance comprises:		
- cash and cash equivalents	**1,742**	821
- overdraft	**(1,168)**	(1,358)
Closing cash balances	**574**	(537)

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 2010

	Contrib-uted Equity	Reserves: Asset Revaluation	Reserves: Foreign Currency Translation	Reserves: Cash Flow Hedges	Retained Profits	Total	Non-controlling interest	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 January 2009	22,259	6,838	364	6	6,448	**35,915**	—	**35,915**
Total comprehensive income for the half-year								
Net profit/(loss) for half-year	—	—	—	—	(930)	**(930)**	(265)	**(1,195)**
Other comprehensive income/(loss)								
Currency translation	—	—	(1,260)	—	—	**(1,260)**	—	**(1,260)**
Cash flow hedges	—	—	—	252	—	**252**	—	**252**
Total comprehensive income/(loss) for the half-year	—	—	(1,260)	252	(930)	**(1,938)**	(265)	**(2,203)**
Transactions with owners in their capacity as owners								
Retained earnings on change from joint venture to consolidated entity	—	—	—	—	60	**60**	60	**120**
Outside equity distribution	—	—	—	—	—	—	(127)	**(127)**
Outside equity units	—	—	—	—	—	—	542	**542**
Equity dividend	—	—	—	—	(983)	**(983)**	—	**(983)**
Shares issued under DRP	137	—	—	—	—	**137**	—	**137**
Shares issued under MD bonus scheme	22	—	—	—	—	**22**	—	**22**
Shares issued under DSIP	590	—	—	—	—	**590**	—	**590**
As at 30 June 2009	23,008	6,838	(896)	258	4,595	**33,803**	210	**34,013**
Total comprehensive income for the half-year								
Net profit/(loss) for the half-year	—	—	—	—	(785)	**(785)**	(1,204)	**(1,989)**
Other comprehensive income/(loss)								
Currency translation	—	—	428	—	—	**428**	—	**428**
Cash flow hedges	—	—	—	(245)	—	**(245)**	—	**(245)**
Change in fair value of land	—	(1,000)	—	—	—	**(1,000)**	—	**(1,000)**
Income tax on other comprehensive income items	—	300	—	—	—	**300**	—	**300**
Total comprehensive income/(loss) for the half-year	—	(700)	428	(245)	(785)	**(1,302)**	(1,204)	**(2,506)**
As at 31 December 2009	23,008	6,138	(468)	13	3,810	**32,501**	(994)	**31,507**

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 30 JUNE 2010

	Contrib-uted Equity	*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 for the half- year								
Net profit/(loss) for the half-year	—	—	—	—	(548)	**(548)**	(172)	**(720)**
Other comprehensive income/(loss)								
Currency translation	—	—	11	—	—	**11**	—	**11**
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**

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 2010

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 2009, 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 2010 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 cash flow hedges are adjusted to record changes in the 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. In the last three reporting periods, both working capital facilities and long term amortising/multi-option bills have been classified as current due to continuing discussions with Rabobank Australia on terms and conditions associated with the restructure of debt facilities. 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 2010 the company remains in breach of the debt service ratio covenant despite continuing to meet interest and amortisation payments. The directors believe that as a result of continuing discussions with Rabobank on revised facilities and terms, this matter is expected to be rectified.

(c) Date of issue

This consolidated half-year financial report was authorised for issue by the board of directors on 24 August 2010.

Notes To The Consolidated Financial Statements

For the Half-Year Ended 30 June 2010

	CONSOLIDATED 2010 $'000	2009 $'000
2. Revenue and Expenses		
(a) Specific Items		
Profit/(loss) before income tax expense includes the following revenue and expenses whose disclosure is relevant in explaining the performance of the entity:		
(i) Other income		
Grant income	**213**	653
Exchange gains associated with devaluation of FJD	**—**	272
Profit on disposal of plant and equipment	**2**	—
Other income	**297**	222
Total other income	**512**	1,147
(ii) Expenses		
Loss on sale of investment in subsidiary	**—**	307
Finance Costs		
Bill facility	**706**	640
Bank loans and overdraft	**141**	59
Finance charges - lease liability	**—**	11
Total finance costs	**847**	710
Depreciation and amortisation of non-current assets		
Plant and equipment	**1,139**	1,191
Buildings	**201**	216
Total depreciation and amortisation	**1,340**	1,407

(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 operating cycle in the ginger segment, and reflects strong demand for new season macadamia harvests.

3. Dividends Paid and Proposed		
(a) **Dividends proposed and recognised as a liability**		
Franked dividends	—	—
(b) **Dividends paid during the half-year**		
Previous year final		
2010: Nil dividend declared;	—	(983)
2009: 2.5 cents per share unfranked;		
(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 2010

	CONSOLIDATED	
	Jun-10	Jun-09
	$'000	$'000
4. Contributed Equity		
(a) **Issued and paid up capital**		
Ordinary shares fully paid	**23,008**	23,008

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

	2010		2009	
	Number of shares	**$'000**	Number of shares	$'000
Beginning of the financial period	**40,896,353**	**23,008**	39,253,315	22,259
Issued during the period				
- dividend reinvestment scheme	—	—	286,977	137
- dividend share issue plan	—	—	1,301,061	590
- MD employee incentive scheme	—	—	55,000	22
End of the financial period	**40,896,353**	**23,008**	40,896,353	23,008

There were no movements in share capital during the six month period ended 30 June 2010.

Notes To The Consolidated Financial Statements

For the Half-Year Ended 30 June 2010

5. Segment Information

Segment products and locations

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 are 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;
- Tourism - the sale of ginger and other retail gift and food products, and the provision of leisure activities within the Australian tourism market; and
- US Distribution - sales and distribution of ginger, macadamias and our speciality food products throughout the Americas.

Other

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 operating 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 of 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 2010

5. SEGMENT INFORMATION (continued)

Reportable segments

Segment information provided to the Board and executive management committee for the half-year ended 30 June 2010 is as follows:

	Ginger		Baking		Tourism		Macadamias Australia		Macadamias Hawaii		US Distribution		Total	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Income														
Sales to external customers	**13,565**	12,375	**10,416**	10,123	**1,880**	1,878	**6,212**	6,587	**6,570**	7,700	**875**	895	**39,518**	39,558
Other income from external customers	**403**	1,138	**16**	(10)	**98**	93	**116**	38	—	—	**5**	3	**638**	1,262
Intersegment sales	**233**	117	—	—	—	—	—	—	—	—	—	—	**233**	117
Total segment revenue	**14,201**	13,630	**10,432**	10,113	**1,978**	1,971	**6,328**	6,625	**6,570**	7,700	**880**	898	**40,389**	40,937
Consolidated entity adjustments													**(233)**	(117)
Total Income													**40,156**	40,820
Results														
Segment result before non-controlling interest	**186**	949	**294**	(471)	**150**	186	**(14)**	(112)	**(684)**	(1,217)	**(170)**	44	**(238)**	(621)
Non-controlling interest	**(42)**	(26)	—	—	—	—	—	—	**171**	304	**43**	(13)	**172**	265
Segment result after non-controlling interest	**144**	923	**294**	(471)	**150**	186	**(14)**	(112)	**(513)**	(913)	**(127)**	31	**(66)**	(356)
Share of profit/(loss) of jointly controlled entity	—	(40)	—	—	**(4)**	27	—	—	—	—	—	—	**(4)**	(13)
Corporate overhead expenses	**(270)**	(671)	**(231)**	(252)	**(42)**	(48)	**(118)**	(151)	**(127)**	(192)	—	—	**(788)**	(1,314)
Contribution to group profit/(loss)*	**(126)**	212	**63**	(723)	**104**	165	**(132)**	(263)	**(640)**	(1,105)	**(127)**	31	**(858)**	(1,683)
Finance costs	**318**	259	**208**	180	**32**	18	**86**	71	**190**	182	**13**		**847**	710
Depreciation & amortisation	**482**	560	**305**	303	**129**	120	**207**	199	**217**	225	—	—	**1,340**	1,407
EBITDA	**674**	1,031	**576**	(240)	**265**	303	**161**	7	**(233)**	(698)	**(114)**	31	**1,329**	434

Contribution to group profit/(loss) *	**(1,030)**	(1,948)
Non-controlling interest	**172**	265
Profit/(loss) before income tax	**(858)**	(1,683)
Income tax (expense)/benefit	**310**	753
Net profit/(loss) for the half-year attributable to equity holders of Buderim Ginger Limited	**(548)**	(930)

T

Notes To The Consolidated Financial Statements

6. Contingent Assets and Liabilities

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

7. Events Subsequent To Balance Date

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.

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

8. 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.

Directors' Declaration

The directors of the company declare that:

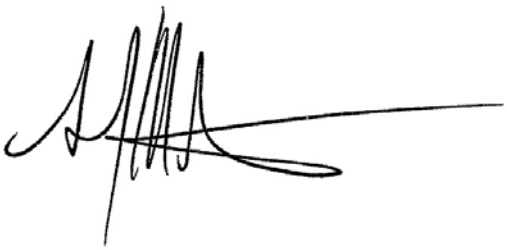
(a) the financial statements and notes set out on pages 12 to 22 are in accordance with the Corporations Act 2001 and:

(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 financial position as at 30 June 2010 and of the performance for the half-year ended on that date of the consolidated entity; and

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

Signed in accordance with a resolution of the directors:



S.J. Maitland

Director

Yandina, 24 August 2010

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 18, 300 Queen St Brisbane QLD 4000,
GPO Box 457 Brisbane QLD 4001 Australia

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 statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant 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 2010 and 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.

BDO Audit (QLD) Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (QLD) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

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 2010 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*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the half-year financial report which indicates that Buderim Ginger Limited has breached an undertaking contained within its borrowing facilities and accordingly has classified all amounts owing under this facility as current liabilities as at 30 June 2010. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The ability of the company to continue as a going concern is dependent upon re-negotiation or replacement of borrowing facilities and/or capital restructuring.

BDO Audit (QLD) Pty Ltd

BDO

Tim Kendall

TJ Kendall

Director

Brisbane, 24 August 2010

BDO Audit (QLD) Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (QLD) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.