



MARKET ANNOUNCEMENT

15 July 2010

STRATEGIC REVIEW OUTCOMES

Dear Shareholder,

The Board, in conjunction with advisers Ernst & Young, have now completed the strategic review of the Group announced at the Annual General Meeting on 30 April 2010.

The review was comprehensive and studied every aspect of the Group's operations and potential courses of action to determine a path ahead that would restore value to the Group's shareholders and best position the Group for the future.

The Board has determined that the Group must reduce debt while repositioning itself as a listed Agri-business with core operations in ginger and macadamias. In the near term the Group intends to sell some of its under-utilised and non profit-generating land and other non-strategic assets. In the medium term, the Group will also seek to sell its now much-improved bakery business so that the Group can renew its focus on its core Agri-business operations.

The Group's ginger business will remain based on production in both Australia and Fiji. However, greater use will be made of international supply chains where appropriate to reduce dependency on single sources that are subject to seasonal factors. The business will continue to focus on its international sales and distribution network and will further develop its range of consumer products, especially in the Australian market.

The Australian macadamia industry should continue to enjoy growth in production levels as more trees come into fruit in coming years and global demand continues to rise. As an industry leader, the Group's *Agrimac* business is seen as a key driver of future growth and profitability. In order to be able to take advantage of opportunities for future expansion of domestic macadamia receipt and processing capacity, the Group will seek to enter into a sale and lease-back arrangement in respect of the Alstonville macadamia processing site.

The Group's US macadamia production activities remain a source of concern in the short term. While adverse seasonal conditions are affecting current production volumes, improvements to the orchard and the processing facility have created a more efficient operation with stronger future profit potential. Opportunities to participate in rationalisation of the Hawaiian macadamia market and/or integration of the Group's macadamia businesses will be pursued.

It is intended to retain and progressively develop the Group's tourism operations at Yandina. While they are a relatively small part of the asset base, they are profitable and have benefits in brand and product promotion for the Group.

The Group's Yandina site was acquired in 1978 and comprises some 10 hectares of prime industrial land adjacent to the Bruce Highway. A significant portion of this land has never been productively used and has been identified by the Board for sale as smaller industrial lots, subject to relevant local government approvals. In addition to providing cash to reduce bank debt, it is hoped that the

purchasers of the land may contribute to the concept of a food and tourism precinct to add further value to the overall site.

While the Group has been in breach of the debt coverage and debt/equity ratio covenants in its banking facilities since the first half of 2009, it has continued to meet all of its obligations to pay interest and make principal reductions. In the 12 months to 30 June 2010, total bank debt has reduced from \$30M to less than \$28M. The asset sales identified above, together with scheduled principal repayments will further significantly reduce this debt in the coming year and strengthen the Group's Balance Sheet.

The Board is confident that the renewed listed Agri-business will be well positioned to participate in the future growth of the Australian food industry and restore value to shareholders.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Stephen Maitland', with a stylized, cursive script.

Stephen Maitland

Chairman