



Market Announcement

ASX CODE: BUG

CHAIRMAN'S ADDRESS

Annual General Meeting

Friday April 27, 2012 at 10.00am

50 Pioneer Road,

Yandina. Qld

CHAIRMAN ADDRESS

Good Morning ladies & gentlemen!

I am pleased to report to the shareholders that 2011 was a turnaround year for Buderim Ginger. Following successive losses, the group recorded a profit before tax of \$1.8m in 2011 compared to the previous year's loss of \$4.2m.

Also pleasing is that the Company will pay a final dividend of 0.5 cents per ordinary share in May 2012.

The result was achieved with the back drop of a strong Australian dollar and continuing financial problems in European markets.

Chief Executive, Ron O'Grady, together with the Board, made the tough decisions in restructuring a number of group's businesses which provided the platform for the turnaround result.

Highlights for 2011 were:

- The GINGER business returned to profitability despite smaller local ginger supply with crops impacted by the disease pythium.

Local shortage was partially offset by increased production in our Fiji business and the importing of

semi-processed ginger from Fiji and other origins to our Yandina factory. We were able to achieve increased prices in all markets which is recognition of our strong brand and quality offering.

Prospects are good for 2012 with slightly better local production and arrangements to continue to supplement local shortage with exports from Fiji and imports of semi-processed products to Yandina.

- The MACADAMIA businesses, both in Australia and Hawaii, recorded good profitability. Most pleasing was the turnaround of the Hawaiian business where we bought out the minority shareholders, and where improved rainfall saw the crop being harvested in the second half of the year yielding above average. A smaller Australian crop was offset by better margins at our Agrimac operations.

Prospects for 2012 both here and Hawaii are very promising with both production increasing, and prices holding at reasonably high levels.

- The BAKING business had a poor year impacted by flood affected demand and the loss of a large third party contract late in the year.

Prospects for 2012 will depend on winning new business and keeping on top of costs and efficiencies.

- The TOURISM business, whilst profitable, was down on the previous year due to lower visitor numbers in line with the tough overall tourism sector.

Prospects for 2012 will be assisted by a capital expenditure program aimed at improving the overall park offering and attracting more visitors.

During the year debt was reduced by \$7.4m through a combination of reduced inventory, a rights issue and the sale and leaseback of our Alstonville macadamia facility.

As a result, it is expected that our borrowing facilities with Rabobank Australia will return from current classification to new normal facilities over the next 12 month period.

The platform is now in place to take Buderim Ginger into 2012 with the prospect of even better profitability.

Thanks go to CEO Ron O'Grady and his team for this huge effort in 2011, contributing to the turnaround result.

Also thanks to my fellow directors for their efforts.

END