

WEBSTER

Media Release

Webster Delivers Sound Half Year Result

27 February 2009

Webster Limited announced today a half-year after tax profit of \$476 thousand, a 72% reduction on the reported profit of \$1,671 thousand in the previous corresponding half year. When normalised for the 100% ownership of Webster Walnuts Pty Ltd (previously 50%), costs associated with the relocation of the head office and profit in the previous year from discontinued operations this represents a 24% reduction in underlying profit from \$905 thousand to \$684 thousand over the reporting period.

Webster Group comprises two operating divisions, Webster Fresh and Webster Walnuts. In addition to the operations, Webster has a 25.9% investment in Tassal Group Limited (Tassal), Australia's largest salmon producer.

The horticulture operations performed well during the first half, particularly Webster Fresh. A strong result was reported by associate Tassal in line with previous guidance. Both the Webster operations and Tassal are performing as anticipated.

As for other years the result reflects the seasonal nature of the business, where a large proportion of operating earnings and cash flows are generated in the second half of the financial year.

Webster Limited Acting Chief Executive Officer, Nigel Carey said today "Operations are currently tracking close to management expectations, and despite the difficult economic conditions, which are impacting the broader market in all countries where we operate, we remain on track to deliver a sound full year result."

"The Webster Fresh operation, with interests in onions and carrots has overall performed to expectations in the first half, with onions above budget and the smaller carrot business unit presently below forecast. The growing season for the 2009 crop has been satisfactory, with adequate rainfall and crop growth. We are well advanced in our contract negotiations with clients and despite some softening in markets our export activities will benefit from a weaker Australian dollar. The installation of our new carrot facility was completed on budget and will enable us to pursue growth in market share." Mr Carey said.

The Webster Walnut division manages more than 2,100 hectares of orchards in NSW and Tasmania and will harvest the first crop from the NSW orchard this season. All orchards are now displaying strong growth characteristics. Adequate water supply is available, with the Murrumbidgee the least affected of the Murray/Darling catchment rivers, and we are forecasting a considerable increase in yields over the 2009 harvest.

This will enable us to develop export activities and commence positioning the business as a counter seasonal supplier to the northern hemisphere in-shell market.

Webster has also benefited from its investment in Tassal, which contributed \$4.272 million of equity accounted profit for the period. Presenting the Tassal result, Tassal Group's Managing Director and Chief Executive Officer, Mark Ryan said "It is extremely pleasing to deliver another solid profit outcome in such a difficult economic climate. We have achieved encouraging domestic market growth whilst continuing to implement cost reduction initiatives and deliver the benefits flowing from our ongoing capital investment program. Tassal continues to track strongly, and we maintain our full year 2009 guidance. We are well positioned to deliver the growth and cost reductions outlined in our Strategic Plan to FY2015."

Directors are addressing the gearing levels of the company. However it should be noted that because of the seasonality of the business, cash flow is much stronger in the second half and gearing (total interest bearing debt to total assets) at year-end is anticipated to be less than 25%.

Whilst the performance at the half-year is broadly in line with expectations, Directors prefer to consider the appropriate dividend distribution in context of the full year result and have not declared an interim dividend for Ordinary Shares. An interim dividend on the Cumulative Preference Shares of 4.5 cents has been declared.

Webster notes that during this period previous major shareholder, Futuris Corporation Limited, divested its shareholding of 33% into the market.

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