

WEBSTER

Media Release

26th February 2010

Webster Limited announced today a half-year loss of \$330 thousand. The operating result is in line with budget expectations given that revenue from operations is heavily weighted to the second half of the financial year.

Webster Limited operates a horticultural division, with vegetable operations sold under the Field Fresh banner and walnuts, trading as Walnuts Australia. In addition, Webster holds a 20% investment in Tassal Group Limited (Tassal), Australia's largest salmon producer.

Webster Limited Chief Executive Officer, David West said today "With regard to Field Fresh the period of very wet conditions in August and September reduced overall onion volume but has been followed by favourable growing conditions through late spring and summer, this has resulted in good quality crops available for export. The present outlook for onion sales is favourable. While carrot crops have been on target for quality and yield early pricing is below expectations. The new capital investment in field and factory operations has delivered targeted improvements."

Webster's walnut operations comprise company owned orchards of 540 hectares and a further 1600 hectares of managed orchards. Higher harvest volumes are anticipated with the maturing of the Walnut orchards in Griffith, NSW and Swansea, Tasmania, with a predicted total tonnage in the order of 1,800 tonnes for the current season. Additional capital has been invested in harvesting, processing and grading equipment to meet the levels of growth expected. Globally walnut demand is satisfactory with significant volumes traded in to the Middle East and China. Sales activity is focused on export in-shell sales with a number of forward contracts in place.

The strength of the Australian dollar has offset some of the improved pricing for export sales however these are balanced in part by improved freight rates, which are calculated in USD.

Webster's performance at the half-year is broadly in line with budget expectations. Directors have determined that no interim dividend will be paid for Ordinary Shares, preferring to consider the appropriate dividend distribution based on the full year result. An interim dividend on the Cumulative Preference Shares of 4.5 cents has been declared.

The Company presently holds shares in Tassal which represent 20.14% of the issued capital of Tassal. In March 2009, Webster shareholders authorised the Company to deal with these shares as the board determines. This authorisation was provided for a 12 month period.

The directors are continuing to explore opportunities to deal with the Tassal shares as the Company may maximise the value of those shares for the benefit of Webster shareholders while also permitting it to reduce term debt. While cash flow and gearing levels (total interest bearing debt to total assets) for Webster are consistent with prior periods, in the current environment the board would prefer a lower level of debt.

At this stage, no decision has been made regarding the alternatives available to the Company. The board will keep shareholders informed about progress on this issue.

For enquiries please contact:

David West
Chief Executive Officer

Ph: (03) 6427 5000