

# WEBSTER

## Media Release

### Webster Continues Positive Earnings Trend

28 February 2007

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Webster Limited announced today a \$2.72 million increase in underlying profit for the first half of the 2007 financial year. Webster announced a half-year after tax profit of \$2.20 million, an increase of \$994,000 on the 2005 half year. The reported profit for the prior half year contained a once off, \$1.72 million profit on disposal of an asset. Accordingly, the underlying half-year result for the group has increased from a loss of \$514,000 in FH2005 to a profit of \$2.20 million in 2006, being a \$2.72 million improvement.

Webster Limited Executive Chairman Rod Roberts said today the result reflects the seasonal nature of the business, where a large proportion of operating earnings and the majority of cash flows are generated in the second half of the financial year, in line with the planting and harvesting cycles. Given the skew of earnings, it is pleasing to note a sound result year to date.

“The full year result is expected to benefit from the strong start to the year and deliver satisfactory returns to shareholders.” Mr Roberts said

Webster group comprises three operating divisions, Webster Fresh, Webster Walnuts and Webster Industry Services (comprising Webster Trucks & Machinery and Webster Bearings & Engineering Supplies). The company also has a 28.16% investment in Tassal Group Limited (Tassal), Australia’s largest salmon producer.

“The Webster Fresh operation, with interests in onions and carrots has performed as expected. In contrast to the wet spring experienced in the prior year, growing conditions this spring have been dry throughout Tasmania. An expected yield reduction is anticipated to be largely offset by favourable pricing, with the majority of budgeted tonnage already contracted.” Mr Roberts said.

The Webster Walnut division is progressing in line with expectations with earnings now beginning to be generated from recurring orchard management fees. Webster Walnuts has recently completed grafting tree stocks for the 2007 orchard development in the Riverina district of NSW. Stocks for the 2008 orchard establishment are now also planted in Company nurseries.

“The second year of a walnut orchard development program with Gunns Limited has commenced. The product disclosure statement relating to the project is due to be released by Gunns in mid-April. This development is expected to increase Webster's total area under management by approximately 800 hectares.” Mr Roberts said.

The Webster Trucks & Machinery business has reported an improvement in earnings period on period, though performance is presently below budget. The Bearings & Engineering Supplies business continues to perform below management expectations due to a highly competitive market. An organisational restructure and a strategic review have been completed, the result of which is expected to be increased revenue growth in the second half.

“Webster has also benefited from its investment in Tassal, which contributed \$3.66 million of equity account profit for the half year. Stable pricing and growing conditions, coupled with continued cost improvements and increased fish size have resulted in a sound performance year to date” Mr Roberts said.

Finance costs and gearing levels remain low, with operating cash flow generated during the first half allowing for further debt reduction.

Whilst historically it has not been a practice of Webster to pay an interim dividend, Directors are pleased to declare a 1 cent per share fully franked dividend on ordinary shares payable in April 2007.

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