



Webster Limited ABN 23 009 476 000

15th December 2010

The Manager
Companies Announcement Section
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Via elodgement

Dear Sir/Madam,

Acquisition of Gunns Walnut assets

Webster Limited (ASX code WBA) (**Webster**) today announced that it has entered into a heads of agreement (**HOA**) with Gunns Limited (Gunns) and Gunns Plantation Limited (**GPL**) to acquire all the assets comprising the Gunns Walnut division.

GPL presently operates 3 registered managed investment scheme projects producing walnuts at Tabbita and Leeton, New South Wales (**Projects**). Gunns owns the land on which the schemes are operated. Webster currently manages these operations totalling about 950 hectares on behalf of Gunns. In addition Webster will acquire about 400 hectares of freehold walnut orchard bringing their total walnut orchard ownership to about 900 hectares.

Under the HOA, Webster will acquire the land on which the Projects are located, the walnut trees and all associated assets including water rights. The management agreement between Gunns Plantations Limited as responsible entity for the Projects and Gunns Limited will be novated to Webster. Webster, with the support of GPL, will seek all necessary approvals to put in place a suitable replacement responsible entity for the Projects.

The purchase price is \$23 million subject to customary completion date adjustments. This acquisition will be funded from the sale of Webster's shares in Tassal Group Limited announced on 9 December 2010.

Webster Managing Director, Leigh Titmus said today that "Webster's acquisition of the Gunns Walnut assets in the Riverina is a logical extension of the existing walnut operations run by Walnuts Australia, a division of Webster Limited. As with the Tassal share divestment announced last week, this acquisition is part of the board's strategic goal to focus on company-controlled agricultural operations whilst maintaining a conservative debt position. It positions Webster as the largest walnut producer/manager in the southern hemisphere. This is significant as only 2% of the world's walnut production is produced south of the equator and therefore provides a strong counter-seasonal supply opportunity into the world's largest walnut markets. There is also an opportunity to replace imported walnut products in the near future. The acquisition will provide strong cash flows in the medium term for Webster."

The transaction is subject to execution of long form documentation and receipt of all necessary approvals. Documentation is expected to be signed next week. Completion is expected to take place in mid-January 2011.

For further information please contact the Managing Director on 03 6427 5000.

Leigh Titmus

Managing Director