

WEBSTER LIMITED

Results Presentation - December 2006 Half Year

5 March 2007



The information and financial summary contained in this presentation should be read in conjunction with Webster Limited's Appendix 4D lodged with ASX on 28 February 2007.

WEBSTER

World class agribusiness - in our own backyard

Financial Results

December 2006 Half Year



Highlights

- **Reported net profit of \$2.203 million (2005: \$1.209 million).**
- **Strong underlying profit of \$2.203 million (2005: \$514,000 loss) - \$2.717 million improvement.**
- **Operating EBIT improvement of \$682,000 in a period where low level of earnings are generated – earnings are heavily skewed to the second half.**
- **Strong contribution from Associates of \$3.325 million (2005: \$1.389 million). Tassal generating strong returns.**
- **The Webster Fresh vegetable division consolidates gains of the previous year and continues its earnings growth.**
- **Webster Walnuts is on track to make another solid contribution in 2007.**
- **Borrowing costs for the period down 13%.**
- **Net debt to equity down to 31% in comparison to 34% at the full year.**
- **Operating cash flows positive \$3.48 million (2005: negative \$15,000).**
- **Interim dividend declared of 1 cent per share fully franked.**

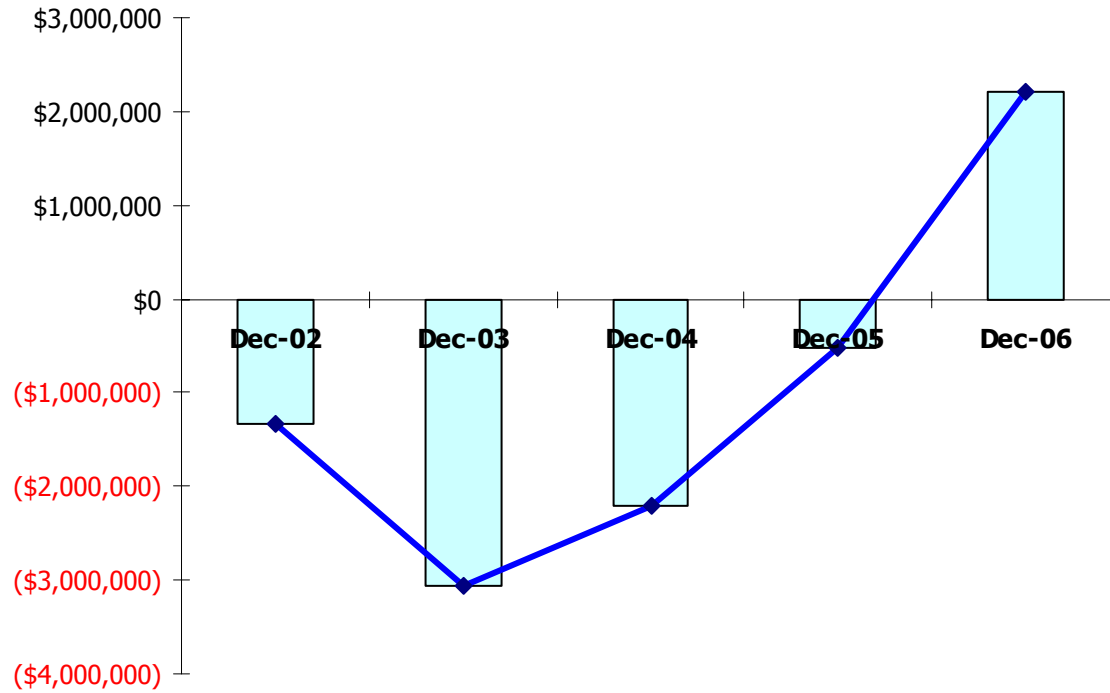


Consolidated Income Statement

	Dec-06 (\$'000s)	Dec-05 (\$'000s)
Revenue	21,475	21,450
EBIT		
Industrial Services	100	-81
Vegetables	-388	-680
Walnuts	260	-23
Corporate	-413	-339
Operating EBIT	-441	-1,123
Contribution from Acquaculture Associates	3,699	1,564
Contribution from Walnut Associates	-374	-319
Contribution from Rural Associates	0	144
Finance Costs	-681	-780
Underlying Profit/(Loss)	2,203	-514
Capital Profits from divestments	0	1,723
Profit for the period	2,203	1,209



Five Year Comparison of Underlying Half Year Earnings



Consolidated Balance Sheet

	Dec-06 (\$'000s)	Jun-06 (\$'000s)
Current Assets	26,171	34,018
Non Current Assets	54,803	51,598
Total Assets	80,974	85,616
Current Liabilities	23,321	28,563
Non Current Liabilities	5,890	6,677
Total Liabilities	29,211	35,240
Total Equity	51,763	50,376
Net Debt to Equity	31%	34%
Adjusted Equity (MTM of Tassal Group Ltd) *	76,027	52,556
Adjusted Net Debt to Equity	21%	32%

* Reported equity has been adjusted for the mark-to-market revaluation of Tassal Group Ltd based upon the quoted share price at the respective balance dates.



Consolidated Cash Flows

	Dec-06 (\$'000s)	Dec-05 (\$'000s)
Cash Flows from Operations	3,477	-15
Cash Flows from Investing		
Acquisition of Tassal Shares	-236	0
Proceeds from Sale of Investments	0	1,998
Net Capital Expenditure	-390	472
Other	-930	616
Total Investing Cash Flows	-1,556	3,086
Cash Flows from Financing		
Debt Repayments	-2,534	-2,696
Dividends Paid	-1,069	-862
Proceeds from the Issue of Securities	0	401
Total Financing Cash Flows	-3,603	-3,157
Net Cash Movement	-1,682	-86



Divisional Performance

December 2006 Half Year



- Webster Fresh is a vertically integrated producer and exporter of premium vegetables (onions, carrots and shallots), which are marketed globally.
- Directors are pleased, both with earnings gains made in recent years and with how the WF business model is positioned for future profitable development.
- Earnings and cash flow are heavily skewed to the second half of the financial year.
- Performance for the first half is in line with expectations. Marginal improvement in performance between 2005 and 2006 half years is primarily due to cost reductions and currency gains.
- Growing conditions have been satisfactory despite the dry spring experienced in Tasmania.
- Substantial percentage of budgeted tonnage already contracted with buyers at favourable prices.
- Any potential yield reduction due to dry spring is expected to be largely offset by above budget pricing.



- Webster is the largest walnut orchard manager in the Southern Hemisphere with approximately 1,400 hectares under management in Tasmania and NSW.
- Earnings are heavily skewed to the second half in line with land cultivation, orchard preparation and the planting cycle.
- Performance for the first half is in line with expectations, with earnings being generated from recurring orchard management fees.
- Nursery tree stock in excess of 260,000 trees have been prepared for the 2007 orchard development, which is expected to be 800 hectares.
- The property for the 2007 development has been acquired by MIS 'partner' Gunns Limited, with land preparation to commence next month.
- The product ruling has been lodged with the Australian Taxation Office, with the product disclosure statement expected to be released by Gunns in mid-April.
- Late spring frosts have reduced the yield forecasts of the Tasmanian walnut joint venture orchard. This will not have a material impact of full year earnings due to the infancy of the orchard.



2006 Riverina Walnut Orchard Development - 7 months after planting



2004 Riverina Walnut Orchard Development – 30 months after planting



- **Underperformance in sales has been the primary cause of poor FH earnings in Webster Bearings & Engineering Supplies. Delayed maintenance and lower spend levels by heavy industry has negatively impacted sales.**
- **A strategic review of the business was undertaken in January and February 2007.**
- **An organisational restructure including retrenchments, was completed in February with a focused sales force targeting major and trade accounts statewide to build a more stable revenue base in both the short and medium terms.**
- **Performance in Webster Trucks & Machinery has improved period on period, which is primarily attributable to increased sales revenue.**
- **Despite the improved level of sales, earnings still remain below management's expectations.**
- **During the first half the business was awarded the Aurora Energy (Tasmania's power utility) Fleet Maintenance contract. This provides a continued base load of workshop business, with over 900 vehicles statewide.**
- **Opportunities in road freight and other industry segments continue to develop.**



Salmon

- Webster's investment in salmon business Tassal Group Ltd (Tassal) continues to deliver positive results. Webster is the company's largest shareholder with approximately 28.16% of the shares of Tassal.
- The investment in Tassal achieved an equity accounted profit of \$3.661 million for the half year.
- In addition to the earnings contribution, the increasing share price has seen the investment value increase to more than \$80 million, based on a current mark-to-market valuation.
- Further detail on the Tassal result can be obtained from www.tassal.com.au.

Kelp Industries Pty Ltd

- Associate Kelp Industries harvests and processes bull kelp that is used for many applications including the extraction of alginates.
- The company generated a modest \$38,000 equity accounted profit for the half year.



Full Year Outlook



Full Year Outlook

- **28.16% owned associate, Tassal Group Limited continues to deliver solid returns through equity accounted profits and this is expected to continue in the second half of the year to provide a strong full year result.**
- **Vegetable operation Webster Fresh anticipates it will meet management's expectations with favourable pricing largely offsetting any potential yield reduction.**
- **The Webster Walnut operation is expecting to deliver another positive result on the back of the 2006 orchard development in the Riverina.**
- **The combined Trucks & Machinery and Bearings & Engineering Supplies businesses are expected to post a modest EBIT return.**
- **With a sound operating result for the first half, full year performance is expected to deliver a satisfactory return to shareholders.**



Recent Government Announcement Regarding Non-forestry MIS

- **No impact for the current financial year to June 2007.**
- **Webster has walnut nursery stock (in various stages) and infrastructure in place for 2008.**
- **Transition arrangements of 1 to 3 years are anticipated.**
- **It has not been a feature of federal government to make very dislocating change without a clear business case and without industry consultation.**
- **Plans for future years are actively being developed and will be further detailed during the 2008 year.**

