



# **WEBSTER LIMITED**

## **Results Presentation**

### **June 2008 Full Year**

The information and financial summary contained in this presentation should be read in conjunction with Webster Limited's Appendix 4E lodged with ASX on 29 August 2008.

**Financial Results**  
**June 2008 Full Year**



## Highlights

- **Reported net profit of \$6.106 million (2007: \$2.305 million). The 2008 result was unaffected by significant items.**
- **The Webster Fresh and Webster Walnuts operating divisions delivered another sound result.**
- **Solid contribution from Associates of \$5.175 million (2007: \$5.059 million). Profit from Tassal as expected.**
- **Positive operating cash flows and divestment proceeds utilised to acquire additional shares in Tassal and consolidate Webster Walnuts Pty Ltd (East Coast Tasmania orchard).**
- **Final dividend declared of 4.5 cents per share partially franked.**
- **Divestment of industrial businesses and interest in Kelp Industries completed during the first half.**
- **Remaining 50% of Webster Walnuts Pty Ltd acquired in January, further enhancing walnut strategy.**
- **Capital expenditure committed to consolidating Webster Fresh business.**



## Consolidated Income Statement

	FY2008 (\$'000s)	FY2007 (\$'000s)
<b>Sales Revenue</b>	<b>37,798</b>	<b>45,900</b>
<b>EBIT</b>		
Vegetables	2,475	2,799
Walnuts	3,105	4,885
Corporate	-1,056	-1,197
<b>Operating EBIT (divisions)</b>	<b>4,524</b>	<b>6,487</b>
Contribution from Acquaculture Associate	5,638	5,629
Contribution from Walnut Associate (6 months in FY2008)	-464	-570
Finance Costs	-1,744	-1,408
<b>Operating Profit before tax</b>	<b>7,954</b>	<b>10,138</b>
Earnings from Divestments	379	-2,661
Asset Impairments	0	-2,500
Non-recurring expenses	0	-800
<b>Net Profit before Tax</b>	<b>8,333</b>	<b>4,177</b>
Tax expense/income	-2,227	-1,872
<b>Net Profit after Tax</b>	<b>6,106</b>	<b>2,305</b>
NPAT - Continuing Operations	5,952	5,435
NPAT - Discontinuing Operations	154	-3,130



## Consolidated Balance Sheet

	FY2008 (\$'000s)	FY2007 (\$'000s)
Current Assets	14,969	38,487
Non Current Assets	82,070	52,702
<b>Total Assets</b>	<b>97,039</b>	<b>91,189</b>
Current Liabilities	26,620	31,415
Non Current Liabilities	13,746	7,028
<b>Total Liabilities</b>	<b>40,366</b>	<b>38,443</b>
<b>Total Equity</b>	<b>56,673</b>	<b>52,746</b>
<b>Net Debt to Equity % <sup>1</sup></b>	<b>42%</b>	<b>21%</b>
<b>Adjusted Equity (MTM of Tassal Group Ltd) <sup>2</sup></b>	<b>95,571</b>	<b>121,130</b>
<b>Adjusted Net Debt to Equity %</b>	<b>25%</b>	<b>9%</b>

1. The net debt to equity percentage has increased due to the consolidation of \$7 million of debt within Webster Walnuts Pty Ltd and additional debt funding utilised to acquire shares in Tassal and Webster Walnuts Pty Ltd.

2. 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

	FY2008 (\$'000s)	FY2007 (\$'000s)
<b>Cash Flows from Operations</b>	<b>5,667</b>	<b>8,401</b>
Cash Flows from Investing		
Acquisition of additional Tassal shares	-7,993	-237
Acquisition of additional Webster Walnuts Pty Ltd	-2,603	0
Proceeds from sale of businesses	4,643	0
Net Capital Expenditure	-3,507	-855
Other	-117	-1,239
<b>Total Investing Cash Flows</b>	<b>-9,577</b>	<b>-2,331</b>
Cash Flows from Financing		
Debt Movement	2,930	-3,956
Dividends Paid	-1,963	-1,554
Other	13	248
<b>Total Financing Cash Flows</b>	<b>980</b>	<b>-5,262</b>
<b>Net Cash Movement</b>	<b>-2,930</b>	<b>808</b>

**Divisional Performance**  
**June 2008 Full Year**



- **Webster Fresh is a vertically integrated producer and exporter of premium vegetables (onions and carrots), which are marketed globally.**
- **The division completed another successful sales season, with a sound EBIT result.**
- **Onions had an excellent result with good quality outputs and sound pricing in the marketplace.**
- **Carrots performed below expectations. Late in the year Webster Fresh committed to the purchase of a carrot processing line to increase capacity and to improve efficiencies and address product handling issues.**
- **Specialist personnel in agronomy have been recruited to focus on improving the carrot business.**



- **Webster is the largest walnut orchard manager in Australia with approximately 2,200 hectares under management in Tasmania and NSW.**
- **Full year performance was in line with expectations, with earnings generated primarily from orchard management fees.**
- **Tree growth in NSW and Tasmania continues to be in line with expectations.**
- **During January 08, Webster acquired the remaining 50% of Webster Walnuts Pty Ltd (WWPL). WWPL is the owner of 540 hectares of orchard on the East Coast of Tasmania.**
- **The yield from this orchard was a significant improvement on the prior year as it was largely unaffected by frosts.**



## Salmon

- Webster's investment in salmon business Tassal Group Ltd (Tassal) continues to deliver strong results. Webster is the company's largest shareholder with approximately 26% of the shares of Tassal.
- The investment in Tassal achieved a strong equity accounted profit of \$5.638 million for the year.
- During the year Webster acquired a further \$7.993 million of shares in Tassal.
- Based on a current mark-to-market valuation the total Tassal investment is now worth more than \$80 million.
- Further detail on the Tassal result can be obtained from [www.tassal.com.au](http://www.tassal.com.au).

## **Future Outlook**



## Future Outlook

- Webster expects a stronger result in FY2009, with current trends indicating an increase in earnings from Webster Fresh as well as benefiting from the increased profit projections as reported by Tassal.
- Webster Fresh is undertaking a major capital project in FY09 to improve the carrot business through the installation of a carrot processing line.
- In addition capital is being invested in the onion operation with volume anticipated to increase by more than 12% in FY09.
- With walnut volumes in Tasmania increasing and NSW expected to begin production in FY09 further investments are required in harvesting equipment and processing facilities.
- Funding opportunities are continuing to be explored to enable walnut orchard developments to recommence in the medium to longer term.



## Future Outlook

- **It is expected that associate, Tassal will continue to deliver strong returns through increased production and a continual focus on achieving a lower cost of production.**
- **Tassal has reported that it is “experiencing strong earnings momentum and expects to achieve an underlying NPAT of \$30 million for FY2009, in line with its previous guidance.”**
- **Operations will be consolidated at Devonport, with the closure of the corporate office in Hobart by the end of December 2008.**
- **Exploring opportunities to expand horticultural operating base.**