

5th September 2006

The Manager
Companies Announcement Section
Australian Stock Exchange
Level 4
Bridge Street
SYDNEY NSW 2000

Via elodgement

Dear Sir/Madam

MEDIA RELEASE – STRONGER EARNINGS

Webster Limited has recorded a sound operating result with an end of year after tax profit of \$5.2 million.

Webster Chairman Rod Roberts today said the end of year result represented a much improved performance as a result of action taken by directors over the past year to deliver more stable earnings and the company was now in a strong position to develop further.

Mr Roberts said that there had been improved performance across all Webster operating divisions.

“Our Webster Fresh division had a successful international sales season for Tasmanian onions and carrots in European and Japanese markets, recording an Earnings Before Interest and Tax (EBIT) profit of \$1.9 million which represents a \$3 million turnaround on last year’s result,” Mr Roberts said.

The Walnut division achieved a record EBIT of \$1.5 million, while our 50 per cent owned Tasmanian joint venture orchard at Swansea recorded an equity accounted loss of \$0.6 million in the Webster accounts. Earnings from the Swansea orchard are expected to increase in future years as the trees reach maturity.

“Webster Walnuts is an exciting venture with the potential to become one of the company’s strongest long-term investments. With largely untapped markets in Australia, few local competitors, growing demand due to the recognised health benefits of walnuts and strong interest from European customers, there is much optimism for future strong financial returns from walnuts,” Mr Roberts said

Overall, Webster Walnuts concluded a successful year with the establishment of a 550 hectare walnut orchard in the Riverina district of New South Wales. The previously announced Heads of Agreement with Gunns Limited and Gunns Plantations Limited also provides confidence to further develop our tree propagation, harvesting and processing know how and we have commenced building tree stocks in preparation for a 2007 development.

He said Webster Industry Services division, which included the statewide Trucks and Machinery and Bearings and Engineering businesses, had emerged from a challenging year with a small operating loss, which was nevertheless a \$0.9 million EBIT turnaround on the previous year.

“The division has undergone major restructuring and investment over the past two years to improve its efficiency and to better position it to service the needs of our customers and now has a stronger basis for improved earnings,” Mr Roberts said.

The operating result includes a \$1.7 million profit on the disposal of the Elders Webster Joint Venture previously announced in the half-year accounts and a \$2.7 million equity accounted profit from Webster’s 28 per cent holding in salmon producer Tassal Group Limited.

Mr Roberts said that during the year Webster had increased its holding in Tassal Group Limited from 25 per cent to 28 per cent and was now benefiting from the decision to merge its former Webster Aquatas salmon division into Tassal.

Webster has also continued its strategy to reduce debt.

“Our finance costs fell from \$2.7 million in the previous year to \$1.6 million and our gearing levels fell from 44 per cent to 34 per cent, despite our increased investment in walnuts and Tassal,” Mr Roberts said.

Directors have declared a 3 cent fully franked dividend on ordinary shares payable in October 2006.

For enquiries please contact:

Rod Roberts or Bruce Davey (Company Secretary)

Ph: (03) 6238 0315.