

# WEBSTER LIMITED

## Appendix 4D: Half-Year Report

### Half-Year Ended 31 December 2010



It is recommended that this Half-Year Report is read in conjunction with the Annual Report for Webster Limited for the Financial Year ended 30 June 2010 together with any public announcements made by Webster Limited and its controlled entities during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the Australian Securities Exchange Listing Rules.

## Appendix 4D: Half-Year Report

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## Appendix 4D Half Year Report

WEBSTER LIMITED  
ACN 009 476 000

### Reporting Period

Half-year ended 31 December 2010 ("current period").  
Previous corresponding period, half-year ended 31 December 2009.

### Results for Announcement to the Market

						Current Period (\$'000)
Revenue from Ordinary Activities	Down	27%	from	4,562	to	3,344
Profit/(Loss) from Ordinary Activities After Tax Attributable to Members	Down	386%	from	(330)	to	(1,603)
Net Profit/(Loss) After Tax Attributable to Members	Down	386%	from	(330)	to	(1,603)

### Brief Explanation of Figures Reported Above

The company recorded an operating result which was \$577 thousand higher than the previous corresponding period. However this was more than offset by a reduction of \$1,850 thousand in equity accounted contribution related to the Tassal Group Limited holding which during the reporting period was classified as held for sale and subsequently sold.  
Please refer to review of operation section of this report for further information.

### Dividends

			Amount per Security (cents)	Franked Amount per Security (cents)
Ordinary Shares	Interim	(2010/11)	0.0	0.0
	Final	(2009/10)	0.0	0.0
Cumulative Preference Shares	Interim*	(2010/11)	4.5	0.0
	Final	(2009/10)	4.5	0.0

\*The financial effect of the interim cumulative preference dividends will be recognised in the next reporting period as the dividend was declared subsequent to 31 December 2010.

Record date for determining entitlements to the interim cumulative preference share dividend	18-Mar-11
Date of payment of interim cumulative preference share dividend	31-Mar-11

Dividends paid by Webster Limited during the current reporting period

	Date	Amount (\$'000)
Cumulative Preference Dividends	30-Sep-10	18

### Net Tangible Assets per Security

	Current Period (cents)	Previous Period (cents)
Net Tangible Assets per Security	87.92	89.03

**Gain or Loss of Control Over Entities**

Loss of control over	n/a
Date of loss of control	n/a
Contribution to profit from ordinary activities in the current reporting period and whole of previous corresponding period	n/a
During the current reporting period the following entities were dissolved or liquidated. The liquidation or dissolution of these entities will have no impact on the future financial performance of the company.	
Liquidated	n/a
Dissolved	n/a

**Details of Associates and Joint Venture Entities**

Aggregate share of profits/(losses) of associates & joint venture entities	Current Reporting Period (\$'000)	Previous Reporting Period (\$'000)
Profit/(loss) from ordinary activities before tax	2,069	4,376
Income tax on ordinary activities	(621)	(1,313)
Profit/(loss) after tax	1,448	3,063
Adjustments	0	0
<b>Share of net profit/(loss) of associates and joint venture entities</b>	<b>1,448</b>	<b>3,063</b>

Name of Entity	Percentage ownership interest held at end of period or date of disposal		Contribution to net profit (loss) \$'000	
	Current Reporting Period	Previous Reporting Period	Current Reporting Period	Previous Reporting Period
Tassal Group Limited	20%	20%	1,448	3,063
			<b>1,448</b>	<b>3,063</b>

Share of net profit of associates was down on the previous corresponding period due to reduced NPAT reported by Tassal Group Limited and the holding being classified as held for sale as at 20th October 2010 resulting in no further equity accounted profit from this date.

**Compliance Statement**

- (a) The accompanying financial report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Interpretations consensus views or other standards acceptable to the ASX.
- (b) The accompanying financial report and the accounts upon which the report is based, use the same accounting policies.
- (c) The accompanying financial report gives a true and fair view of the matters disclosed.
- (d) The accompanying financial report has been independently reviewed by the Company's auditors. The financial report is not subject to a qualified independent review statement.
- (e) The entity has a formally constituted audit and risk committee.



**R J Roberts**  
**Chairman**  
**Webster Limited**  
**22nd February 2011**

# Directors' Report

The directors of Webster Limited (ACN 009 476 000) submit the following report in respect of the half-year ended 31 December 2010. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

## Directors

The names of the directors of the company during or since the end of the half-year are:

R J Roberts, Non-executive Chairman  
S J Stone, Non-executive Director  
E H Eves, Non-executive Director  
L F Titmus, Executive Director (appointed 19 August 2010)  
C D Corrigan, Non-executive Director (resigned 9 July 2010)

## Review of Operations

### *Key Messages*

The consolidated entity recorded a loss after income tax of \$1,603 thousand for the half-year ended 31 December 2010. This compares with a loss of \$330 thousand for the corresponding previous half-year. The operating result was \$577 thousand higher than the previous corresponding period. However this was more than offset by a reduction of \$1,850 thousand in equity accounted contribution related to the Tassal Group Limited holding which, during the reporting period, was classified as held for sale and subsequently sold.

As at the end of the reporting period, the company had contracted to sell its 19.8% holding in Tassal Group Limited and also to purchase Gunns' walnut assets in the Riverina. The net effect of these two transactions will result in a marked reduction in debt which will be reflected in the balance sheet at the end of the financial year.

Note that a large portion of Webster's operating divisions' earnings and cash flows are generated in the second half of the financial year. This seasonality is directly related to the Field Fresh Tasmania sales of horticultural produce occurring predominantly in the second half of the financial year.

### *Field Fresh Tasmania*

The Field Fresh Tasmania operation has experienced a challenging season with higher than average rainfall in the growing areas of northern and north western Tasmania. However, despite adverse weather conditions, production and quality parameters are expected to approximate budget, and as at the end of December, the forecast financial result for the full year is in line with expectations. The world market for onions is short and favourable trading terms are expected for any uncommitted volumes. As reported earlier, Field Fresh Tasmania exited the carrot business and has leased the carrot factory facility to a third party.

### *Walnuts Australia*

In December 2010, Webster successfully sold its 19.8% shareholding in salmon producer Tassal. This positioned the company to acquire the walnut assets of Gunns Limited in the Riverina, NSW which Webster's walnut division, Walnuts Australia, has developed and managed since 2006. This is viewed by Directors and Management of Webster as a transforming and strategic development for the company, strengthening its position as a leading supplier of walnuts from the southern hemisphere to world markets.

Webster's walnut division now owns approximately 1,865 hectares of walnut orchard in Tasmania and NSW, with 950ha leased to growers under the Gunns Walnut Projects. A further 250ha of privately owned orchard is under Walnuts Australia's management in NSW. Despite un-seasonally wet conditions in both the Riverina and Tasmania, orchards have not been subject to flood damage

and the predicted harvest volumes are on target to meet budget. Additional capital has been invested in harvesting, processing and grading equipment to meet the increased volume of walnuts predicted. Global demand for walnuts is good with increased interest in Italy, the Middle East and China.

*Financial*

As a result of the sale of Webster's Tassal Group Limited shares, Webster has re-negotiated its bank facilities and reduced debt by approximately \$27M as at the completion of Tranche B of the sale. Due to the very strong Australian dollar, export pricing for both onions and walnuts is unfavourable but is partly offset by firm demand for both products. Webster's overall performance at the half-year is broadly in line with expectations. Directors have determined that no interim dividend will be paid for Ordinary Shares. An unfranked interim dividend on Cumulative Preference Shares of 4.5 cents has been declared.

**Independence Declaration by Auditor**

The auditor's independence declaration is included on page 6 of the half-year financial report.

**Rounding Off of Amounts**

The company is a company of the kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the directors' report and the financial report have been rounded off to the nearest thousand dollars unless specifically stated to be otherwise.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



R J Roberts  
Chairman  
22nd February 2011

For personal use only

The Board of Directors  
Webster Limited  
349 Forth Road  
Devonport TAS 7310

22 February 2011

Dear Board Members

### Webster Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Webster Limited.

As lead audit partner for the review of the financial statements of Webster Limited for the financial half year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

  
DELOITTE TOUCHE TOHMATSU



**Rod Whitehead**  
Partner  
Chartered Accountants

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Member of Deloitte Touche Tohmatsu Limited

## Independent Auditor's Review Report to the members of Webster Limited

We have reviewed the accompanying half-year financial report of Webster Limited, which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 9 to 17.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Webster Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

## *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Webster Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Webster Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

  
DELOITTE TOUCHE TOHMATSU



Rod Whitehead  
Partner  
Chartered Accountants  
Hobart, 22 February 2011

## Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the disclosing entity will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s. 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



R J Roberts  
Chairman  
22nd February 2011

# Webster Limited

## Condensed consolidated statement of comprehensive income for the half-year ended 31 December 2010

	<b>Consolidated</b>	
	<b>Half-year ended 31-Dec-10 (\$'000)</b>	<b>Half-year ended 31-Dec-09 (\$'000)</b>
<b>Continuing operations</b>		
Revenue	3,344	4,562
Cost of sales	(1,290)	(2,152)
Gross Profit	<u>2,054</u>	<u>2,410</u>
Other income	1,134	1,208
Share of net profits of associates and joint ventures accounted for using the equity method	1,448	3,063
Impairment loss on assets classified as held for sale	(3,566)	-
Gain on derivative financial asset	2,746	-
Distribution expenses	(212)	(387)
Marketing expenses	(279)	(339)
Operational expenses	(3,276)	(3,907)
Administration expenses	(933)	(1,263)
Finance costs	(1,154)	(729)
Other expenses	(105)	(13)
Profit before income tax expense	<u>(2,143)</u>	<u>43</u>
Income tax expense	540	(373)
<b>Profit/(loss) for the period</b>	<u>(1,603)</u>	<u>(330)</u>
<b>Other comprehensive income</b>		
Gain/(loss) on cash flow hedges taken to equity	2,262	390
Share of other comprehensive income of associates	(371)	249
Other comprehensive income for the period (net of tax)	<u>1,891</u>	<u>639</u>
<b>Total comprehensive income for the period</b>	<u>288</u>	<u>309</u>
<b>Earnings per share</b>		
Basic (cents per share)	(2.48)	(0.51)
Diluted (cents per share)	(2.48)	(0.51)

Notes to the condensed consolidated financial statements are included on pages 14 to 17

**Webster Limited**  
**Condensed consolidated statement of financial position**  
as at 31 December 2010

	Note	Consolidated	
		31-Dec-10 (\$'000)	30-Jun-10 (\$'000)
<b>Current Assets</b>			
Cash and cash equivalents		20	1,476
Trade and other receivables		3,117	10,245
Other financial assets	5	5,202	221
Inventories		8,541	3,675
Other assets		227	231
Biological assets		1,025	879
Assets classified as held for sale	10	49,095	-
<b>Total current assets</b>		<b>67,227</b>	<b>16,727</b>
<b>Non-Current Assets</b>			
Investments accounted for using the equity method		-	51,699
Property, plant and equipment	9	45,273	25,407
Biological assets		11,200	10,934
Investment properties		778	839
Deferred tax asset		1,853	1,508
Goodwill		397	397
Other Intangible Assets	9	2,500	-
<b>Total non-current assets</b>		<b>62,001</b>	<b>90,784</b>
<b>Total assets</b>		<b>129,228</b>	<b>107,511</b>
<b>Current Liabilities</b>			
Trade and other payables	9	29,556	7,233
Borrowings		27,483	4,491
Other financial liabilities	5	142	169
Provisions		491	400
Current tax liability		9,132	294
<b>Total current liabilities</b>		<b>66,804</b>	<b>12,587</b>
<b>Non-Current Liabilities</b>			
Borrowings		1,278	25,291
Deferred tax liabilities		1,024	9,728
Provisions		35	106
<b>Total non-current liabilities</b>		<b>2,337</b>	<b>35,125</b>
<b>Total liabilities</b>		<b>69,141</b>	<b>47,712</b>
<b>Net assets</b>		<b>60,087</b>	<b>59,799</b>
<b>Equity</b>			
Issued capital		42,580	42,580
Reserves	5	4,438	2,547
Retained earnings		13,069	14,672
<b>Total equity</b>		<b>60,087</b>	<b>59,799</b>

Notes to the condensed consolidated financial statements are included on pages 14 to 17

**Webster Limited**  
**Condensed consolidated statement of changes in equity**  
for the half-year ended 31 December 2010

	Share capital (\$'000)	Cumulative Preference Shares (\$'000)	General reserve (\$'000)	Properties revaluation reserve (\$'000)	Cash flow hedging reserve (\$'000)	Retained earnings (\$'000)	Attributable to the owners of the parent (\$'000)	Non- controlling interests (\$'000)	Total (\$'000)
<b>Balance at 1 July 2009</b>	<b>42,580</b>	-	<b>(104)</b>	<b>1,380</b>	<b>(133)</b>	<b>14,272</b>	<b>57,995</b>	-	<b>57,995</b>
Payment of dividends	-	-	-	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	(330)	(330)	-	(330)
Other comprehensive income for the year	-	-	-	-	390	-	390	-	390
Share of associates reserves	-	-	-	-	249	-	249	-	249
Total comprehensive income for the year	-	-	-	-	639	(330)	309	-	309
<b>Balance at 31 December 2009</b>	<b>42,580</b>	-	<b>(104)</b>	<b>1,380</b>	<b>506</b>	<b>13,942</b>	<b>58,304</b>	-	<b>58,304</b>
<b>Balance at 1 July 2010</b>	<b>42,580</b>	-	<b>152</b>	<b>2,359</b>	<b>36</b>	<b>14,672</b>	<b>59,799</b>	-	<b>59,799</b>
Payment of dividends	-	-	-	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	(1,603)	(1,603)	-	(1,603)
Other comprehensive income for the year	-	-	-	-	2,262	-	2,262	-	2,262
Share of associates reserves	-	-	(77)	(294)	-	-	(371)	-	(371)
Total comprehensive income for the year	-	-	(77)	(294)	2,262	(1,603)	288	-	288
<b>Balance at 31 December 2010</b>	<b>42,580</b>	-	<b>75</b>	<b>2,065</b>	<b>2,298</b>	<b>13,069</b>	<b>60,087</b>	-	<b>60,087</b>

Notes to the condensed consolidated financial statements are included on pages 14 to 17

# Webster Limited

## Condensed consolidated statement of cashflows

for the half-year ended 31 December 2010

	Note	Consolidated	
		Half-year ended 31-Dec-10 (\$'000)	Half-year ended 31-Dec-09 (\$'000)
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		11,752	12,751
Payments to suppliers and employees		(13,303)	(14,956)
Interest and other costs of finance paid		(1,145)	(749)
<b>Net cash used in operating activities</b>		<b>(2,696)</b>	<b>(2,954)</b>
<b>Cash Flows from Investing Activities</b>			
Interest received		-	2
Proceeds from sale of investments		5,000	-
Dividends received		578	1,126
Payment for property, plant and equipment		(1,000)	(2,135)
Payment for business	9	(2,300)	-
Proceeds from sale of property, plant and equipment		-	33
<b>Net cash used in investing activities</b>		<b>2,278</b>	<b>(974)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings from others		420	5,490
Repayment of borrowings from others		(102)	(336)
Employee share purchase plan loan repayments		-	-
Principal repayments under finance lease		(225)	(180)
Dividends paid		(18)	(18)
<b>Net cash provided by financing activities</b>		<b>75</b>	<b>4,956</b>
<b>Net increase / (decrease) in cash held</b>		<b>(343)</b>	<b>1,028</b>
<b>Cash at beginning of the half-year</b>		<b>(2,450)</b>	<b>226</b>
<b>Cash at end of the half-year</b>		<b>(2,793)</b>	<b>1,254</b>

Notes to the condensed consolidated financial statements are included on pages 14 to 17

# Webster Limited

## Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2010

### 1 Summary of Significant Accounting Policies

#### Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year financial report does not include notes of the type normally included in an annual report and should be read in conjunction with the 30 June 2010 Annual Financial Report.

#### Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2010 annual financial report for the financial year ended 30 June 2010. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The group has adopted the following accounting policy in relation to acquired intangible assets:

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. The adoption of these new and revised Standards has not resulted in any changes to the Group's accounting policies and has no affect on the amounts reported for the current or prior periods.

#### Seasonal operations

Webster Limited operates seasonal businesses which result in lower revenues and profits during the first half of the financial year.

### 2 Dividends

Note	2010		2009	
	Cents per share	Total (\$'000)	Cents per share	Total (\$'000)
<b>Recognised Amounts</b>				
<u>Ordinary Share</u>				
Final dividend	-	-	-	-
<u>Cumulative Preference Share</u>				
Final dividend 2009/10 (recognised as an expense)	4.5	18	4.5	18
		<u>18</u>		<u>18</u>
<b>Unrecognised Amounts</b>				
<u>Ordinary Share</u>				
Interim dividend	-	-	-	-
<u>Cumulative Preference Share</u>				
Interim dividend 2010/11 (to be recognised as an expense post 31 December)	4.5	18	4.5	18
		<u>18</u>		<u>18</u>

# Webster Limited

## Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2010

### 3 Contingent Liabilities and Assets

There have been no changes in contingent liabilities or assets since the last annual report.

### 4 Subsequent Events

On 8 December 2010 the company entered into a share sale agreement with Pacific Andes Resource Development Limited to sell its 19.8% holding in Tassal Group Limited at a price of \$1.79 per share. Tranche A of the transaction relating to 14.9% of the holding settled on 7 January 2011 with Tranche B for the remaining 4.9% of the holding settling on 18 February 2011. The company gained approval to sell its holding in Tassal Group Limited at its Annual General Meeting in October 2010.

Subsequent to year end the company has renegotiated its position with its banker, with facility limits reducing to \$11 million upon receipt of Tranche B of the Tassal Group Limited share sale proceeds.

In December 2010 the company entered into agreements with Gunns Limited for the purchase of their walnut business and assets for \$23 million. This transaction completed on 19 January 2011.

On 22 February 2011, the Directors declared an interim unfranked dividend of \$18 thousand (4.5 cent per share) on cumulative preference shares with respect to the half-year ended 31 December 2010. The record date for determining entitlement to this dividend is 18 March 2011, with a payment date of 31 March 2011. No dividend was declared on ordinary shares.

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

### 5 Other Financial Assets and Liabilities

Application of AASB 139 "Financial Instrument Recognition and Measurement" to hedge relationships taken out in respect of anticipated foreign currency receivables and payables has resulted in significant movements in other financial assets and liabilities and reserves from the corresponding prior period. These movements will be reversed in the second half of the year as foreign currency export sales are realised.

Other financial assets includes the fair value of the Tassal Group Limited share sale contract.

# Webster Limited

## Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2010

### 6 Segment Information

The Group has adopted AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group. In prior years segment information reported externally was analysed on the basis of industry segments. However, information for internal reports is focused on operating divisions. The principal divisions within the group are the vegetable, walnut and aquaculture divisions. As such these divisions make up the reportable segments under AASB 8. Information regarding these segments is presented below.

	Vegetable Operations		Walnut Operations		Aquaculture		TOTAL	
	Half-year ended 31-Dec-10	Half-year ended 31-Dec-09	Half-year ended 31-Dec-10	Half-year ended 31-Dec-09	Half-year ended 31-Dec-10	Half-year ended 31-Dec-09	Half-year ended 31-Dec-10	Half-year ended 31-Dec-09
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Revenue</b>								
External sales	(217)	1,074	3,561	3,434	-	-	3,344	4,508
Other revenue	262	443	508	424	-	-	770	867
Segment total	45	1,517	4,069	3,858	-	-	4,114	5,375
Unallocated/Consolidation Adj							364	395
<b>Consolidated revenue</b>							<b>4,478</b>	<b>5,770</b>
<b>Segment profit</b>								
Segment result	(1,157)	(1,147)	(14)	(883)	628	3,063	(543)	1,033
Finance costs							(1,154)	(729)
Unallocated							(446)	(261)
Profit before income tax expense							(2,143)	43
Income tax expense							540	(373)
<b>Profit/(loss) for the period</b>							<b>(1,603)</b>	<b>(330)</b>

The revenue reported above represents revenue generated from external customers. There were no intersegmental sales during the period.

Segment profit represents the profit earned by each segment without allocation of central administration costs and director's salaries, investment revenue and finance costs, income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

	Vegetable Operations		Walnut Operations		Aquaculture		TOTAL	
	Half-year ended 31-Dec-10	Half-year ended 30-Jun-10	Half-year ended 31-Dec-10	Half-year ended 30-Jun-10	Half-year ended 31-Dec-10	Half-year ended 30-Jun-10	Half-year ended 31-Dec-10	Half-year ended 30-Jun-10
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Segment Assets</b>								
Segment assets	17,407	16,086	50,871	31,027	51,750	51,699	120,028	98,812
Unallocated							9,200	8,699
<b>Total</b>							<b>129,228</b>	<b>107,511</b>

### 7 Issuances of Securities

During the half-year reporting period, Webster Limited issued nil shares (2009: nil) on exercise of share options issued under the Supplementary Prospectus. Webster Limited issued nil ordinary shares (2009: nil) under the company's dividend reinvestment plan.

### 8 Borrowings

During the half-year reporting period, the Group drew down \$420 thousand against its bank facilities. The proceeds from these borrowings have been used to meet seasonal funding requirements.

# Webster Limited

## Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2010

### 9 Acquisition of business

In December 2010, the Group entered into an agreement with Gunns Limited (Gunns) and Gunns Plantation Limited (GPL) to acquire all the assets comprising the Gunns Walnut division. GPL operated 3 registered managed investment scheme projects producing walnuts at Tabbita and Leeton, New South Wales (Projects). Gunns owned the land on which the schemes are operated. Under the agreement, Webster acquired the land on which the Projects are located, the walnut trees and all associated assets including water rights. The management agreements between GPL as responsible entity for the Projects and Gunns Limited have been novated to Webster.

The purchase price is \$23,000 thousand and represents:

	\$'000
Property, plant and equipment	20,200
Intangible assets - contracts	2,500
Inventories	300

As at 31 December 2010, the Group had paid a deposit of \$2,300 thousand in relation to the acquisition, with the balance of the purchase price being reflected in trade and other payables in the Balance Sheet.

### 10 Investments in associates

At 30 June 2010, the Group held a 20% interest in Tassal Group Limited and accounted for the investment as an associate. At the Company's AGM 20 October 2010, a resolution of shareholders to allow directors to deal in Tassal Group Limited shares resulted in the reclassification of the investment to "Assets classified as held for sale". Consequently the Group ceased to account for the investment as an associate from this date, and the investment was carried at fair value. This resulted in an impairment loss of \$11,805 thousand being recognised at 20 October 2010.

	\$'000
Equity accounted investment at beginning of the year	51,699
Share of operating profit/(loss) before income tax	2,069
Share of income tax	(621)
Dividend received	(578)
Equity accounted value	<u>52,569</u>
Fair value	<u>40,764</u>
Impairment loss at 20 October 2010	<u>11,805</u>

From 20 October 2010 to 31 December 2010, the market share price of Tassal Group Limited improved resulting in a reversal of the impairment loss recognised at 20 October 2010. As at 31 December, the impairment loss recognised in relation to the investment in Tassal Group Limited is \$3,566 thousand.