

# WEBSTER LIMITED

## Appendix 4E: Preliminary Final Report

### Financial Year Ended 30 June 2009



It is recommended that this Preliminary Final Report is read in conjunction with the Annual Report for Webster Limited for the Financial Year ended 30 June 2008, the December 2008 Half-Year Report and any public announcements made by Webster Ltd and its controlled entities during the year ended 30 June 2009 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

# Appendix 4E: Preliminary Final Report

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## Commentary on Results for the Year

Webster Limited announced today a full-year after tax profit of \$3.432 million, down from \$6.106 million in the prior year. Webster's horticulture operations did not perform to expectations with difficult climatic conditions compounded by a soft domestic and international market.

The share of profits from associates was again strong, with a contribution of \$7.566 million. A profit before tax of \$1.708 million was realised on the sale of 7,000,000 Tassal shares. Despite no new walnut orchard development revenue in 2009 and weak domestic and international markets for Webster Fresh, revenue was up \$2.003 million.

Webster Ltd has two operating groups, Webster Fresh and Webster Walnuts.

Webster Fresh: Webster Fresh recorded an EBIT loss of \$0.63 million. The purchase of a carrot processing line in late 2008 did not meet expectations with difficulties experienced in agronomy and in achieving the predicted labour and quality improvements within the factory. This has resulted in a thorough review of this operation with investment in additional capital equipment to address agronomic and factory issues.

With regard to Webster Fresh's onion operations, difficult climatic conditions and quality issues for onions delivered to Europe have resulted in an unbudgeted rise in quality claims from Webster's European customers, significantly and adversely effecting revenues.

Webster Walnuts: The harvest from the Tasmanian orchard was not the significant improvement on the prior year as was budgeted. It was affected by a frost event and drought conditions that until very recently prevailed in Tasmania. Accordingly nut yield and size were adversely affected. Recent winter rains have filled the orchard dams to capacity. Increased frost mitigation strategies are currently being implemented for the 2010 season to further reduce risks.

The Webster Walnuts operation now has in excess of 2,200 hectares of walnut orchards under management in NSW and Tasmania. Further capital investment is underway in NSW to harvest and process the predicted nut yields from these orchards. Recent difficulties experienced by Managed Investment Schemes (MIS) have not been experienced by Webster's walnut operations, which have reported a consolidated EBIT profit of \$0.220 million. Webster Walnuts is anticipating a further increase in yield from its existing orchard operations in FY2010.

Total debt facility limits have been renewed and due to positive cash flow from investing activities have been reduced by \$6.5 million.

Taking into account disappointing results in the operating divisions and the capital program to support the growth of the Webster Walnut business, directors have determined that no final ordinary dividend will be paid.

On 2<sup>nd</sup> July 2009 directors announced the appointment of Mr David West as Chief Executive Officer. Mr West brings significant skills and experience in food, horticulture and plant management.

Webster plans to hold its annual general meeting on 10th November 2009 in Devonport.

For enquiries please contact:

David West  
Chief Executive Officer

Ph: (03) 6427 5021

## Appendix 4E Preliminary Final Report

### WEBSTER LIMITED ACN 009 476 000

#### Reporting Period

Financial year ended 30 June 2009 ("current period")  
Previous corresponding period, financial year ended 30 June 2008.

#### Results for Announcement to the Market

				(\$'000)
				Current Period
Revenue from Ordinary Activities	Up	5%	to	39,801
Profit/(Loss) from Ordinary Activities After Tax Attributable to Members	Down	44%	to	3,432
Net Profit/(Loss) After Tax Attributable to Members	Down	44%	to	3,432
<b>Dividends</b>				
			<b>Amount per Security</b> (cents)	<b>Franked Amount per Security</b> (cents)
Final dividend on Cumulative Preference Shares (payable 30/9/09)			4.5	4.5
Record date for determining entitlements to Cumulative Preference Dividend				21-Sep-09

#### Brief explanation of any of the figures reported above

Refer to the "Commentary on Results for the Year" section which forms part of the Appendix 4E Preliminary Final Report.

#### Dividends

Dividends paid by Webster Limited during the current reporting period

		Payment Date	Amount (\$'000)	Amount Per Security of foreign sourced dividend
Cumulative Preference Dividends	Final	30-Sep-08	18	0 cents
	Interim	31-Mar-09	18	0 cents
Ordinary Dividends	Final	31-Oct-08	2,842	0 cents
	Interim		-	-

The final cumulative preference share dividend was fully franked at the 30% tax rate. The interim cumulative preference share dividend was unfranked. The final ordinary share dividend was franked to 1.94% at 30% corporate tax rate.

#### Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) was applicable to the Final and Interim Dividend of Fully Paid Ordinary Shares (ASX code WBA). The discount rate was 5%. The issue price was based on the weighed average sale price per share of shares traded in the 5 business days last before, but not including the Record Date.

## Net Tangible Assets per Security

	Current Reporting Period (cents)	Previous Reporting Period (cents)
Net Tangible Assets per Security	89.16	89.10

## Gain or Loss of Control Over Entities

(a) Gain of control over	Nil
Date of gain of control	NA
Contribution to profit from ordinary activities in the current reporting period and whole of previous corresponding period	NA
(b) Loss of control over	Nil
Date of loss of control	NA
Contribution to profit from ordinary activities in the current reporting period and whole of previous corresponding period	NA
(c) 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	Nil
Dissolved	Nil

## Annual Meeting

The annual meeting will be held as follows:

Place: Devonport Entertainment and Convention Centre

Date: Tuesday 10th November 2009

Time: 11.00 a.m.

Approximate date Annual Report will be available: 8 October 2009

The attached Preliminary Final Report for the Year ended 30 June 2009, prepared pursuant to Appendix 4E and ASX Listing Rule 4.3A, is based on accounts which are in the process of being audited and therefore no audit report is attached. It is not expected that the accounts will be subject to dispute or qualification.

# Webster Limited

## Consolidated Income Statement

For the financial year ended 30 June 2009

<b>Consolidated</b>			
	<b>Note</b>	<b>2009</b> (\$'000)	<b>2008</b> (\$'000)
Revenue	2(a)	39,801	37,798
Cost of sales	2(c)	(22,930)	(19,433)
<b>Gross Profit</b>		16,871	18,365
Other income	2(b)	3,454	2,661
Share of net profits of associates and joint ventures accounted for using the equity method		7,566	5,175
Distribution expenses		(10,384)	(9,508)
Marketing expenses		(679)	(676)
Operational expenses		(6,089)	(3,637)
Administration expenses		(2,771)	(2,619)
Finance costs	2(c)	(2,005)	(1,744)
Other expenses		(11)	(63)
<b>Profit/(loss) from continuing operations before income tax expense</b>		5,952	7,954
Income tax (expense)/income		(2,582)	(2,002)
<b>Profit/(loss) from continuing operations</b>		3,370	5,952
Gain/ (loss) from discontinued operations	10	62	154
<b>Profit/(loss) for the period</b>		3,432	6,106
<b>Profit/(loss) attributable to members of the parent entity</b>		3,432	6,106
 <b>Earnings per share for continuing and discontinued operations</b>			
Basic (cents per share)	6	5.35	9.75
Diluted (cents per share)	6	5.35	9.75
 <b>Earnings per share from continuing operations</b>			
Basic (cents per share)	6	5.26	9.50
Diluted (cents per share)	6	5.26	9.50

Notes to the preliminary final report are included on pages 9 to 20.

# Webster Limited

## Consolidated Balance Sheet

As at 30 June 2009

	Note	Consolidated	
		2009 (\$'000)	2008 (\$'000)
<b>Current Assets</b>			
Cash and cash equivalents	8(a)	226	1,355
Trade and other receivables		11,618	7,086
Other financial assets		22	349
Inventories		3,870	4,854
Other assets		526	336
Biological assets		819	989
<b>Total current assets</b>		<b>17,081</b>	<b>14,969</b>
<b>Non-Current Assets</b>			
Investments accounted for using the equity method	3	45,919	52,464
Property, plant and equipment		24,391	18,314
Biological assets		10,278	9,852
Investment property		-	1,043
Goodwill		397	397
<b>Total non-current assets</b>		<b>80,985</b>	<b>82,070</b>
<b>Total assets</b>		<b>98,066</b>	<b>97,039</b>
<b>Current Liabilities</b>			
Trade and other payables		6,657	7,507
Borrowings		22,007	17,873
Current tax liability		360	449
Other financial liabilities		212	75
Provisions		1,426	716
<b>Total current liabilities</b>		<b>30,662</b>	<b>26,620</b>
<b>Non-Current Liabilities</b>			
Borrowings		1,226	7,480
Deferred tax liabilities		8,110	6,213
Provisions		73	53
<b>Total non-current liabilities</b>		<b>9,409</b>	<b>13,746</b>
<b>Total liabilities</b>		<b>40,071</b>	<b>40,366</b>
<b>Net assets</b>		<b>57,995</b>	<b>56,673</b>
<b>Equity</b>			
Issued capital	4	42,580	41,256
Reserves		1,143	2,093
Retained earnings	5	14,272	13,324
<b>Total equity</b>		<b>57,995</b>	<b>56,673</b>

Notes to the preliminary final report are included on pages 9 to 20.

**Webster Limited**  
**Consolidated Statement of Changes in Equity**  
For the Financial Year Ended 30 June 2009

<b>Consolidated</b>	<b>Ordinary Shares</b> (\$'000)	<b>General Reserve 1</b> (\$'000)	<b>Asset Revaluation Reserve 2</b> (\$'000)	<b>Hedging Reserve 3</b> (\$'000)	<b>Retained Earnings</b> (\$'000)	<b>Total Attributable to Equity Holders of the Entity</b> (\$'000)
<b>Balance at 1 July 2007</b>	<b>39,819</b>	<b>120</b>	<b>2,129</b>	<b>39</b>	<b>10,639</b>	<b>52,746</b>
Gain/(loss) taken to equity	-	-	-	234	-	234
Profit for the year	-	-	-	-	6,106	6,106
Total recognised income and expense for the year	-	-	-	<b>234</b>	<b>6,106</b>	<b>6,340</b>
Equity issued under Company dividend reinvestment plan	1,437	-	-	-	-	1,437
Share of associates reserves	-	(36)	(393)	-	-	(429)
Dividends paid or provided for	-	-	-	-	(3,424)	(3,424)
Rounding adjustment	-	-	-	-	3	3
<b>Balance at 30 June 2008</b>	<b>41,256</b>	<b>84</b>	<b>1,736</b>	<b>273</b>	<b>13,324</b>	<b>56,673</b>
<b>Balance at 1 July 2008</b>	<b>41,256</b>	<b>84</b>	<b>1,736</b>	<b>273</b>	<b>13,324</b>	<b>56,673</b>
Gain/(loss) taken to equity	-	-	-	(406)	-	(406)
Profit for the year	-	-	-	-	3,432	3,432
Total recognised income and expense for the year	-	-	-	<b>(406)</b>	<b>3,432</b>	<b>3,026</b>
Equity issued under Company dividend reinvestment plan	1,324	-	-	-	-	1,324
Share of associates reserves	-	(188)	(356)	-	-	(544)
Transfer to Retained Earnings	-	-	-	-	356	356
Dividends paid or provided for	-	-	-	-	(2,842)	(2,842)
Rounding adjustment	-	-	-	-	2	2
<b>Balance at 30 June 2009</b>	<b>42,580</b>	<b>(104)</b>	<b>1,380</b>	<b>(133)</b>	<b>14,272</b>	<b>57,995</b>

1. This reserve captures the movement in reserves of associates including their share based payments reserve and hedging reserve, but excluding the asset revaluation reserve.

2. Balance relates to the movement in share of Associates' asset revaluation reserves. The movement in the reserve in the current year reflects an adjustment for the deferred tax consequences of the reserve which wasn't accounted for in the prior year.

3. The hedging reserve represents hedging gains or losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

Notes to the preliminary final report are included on pages 9 to 20.

# Webster Limited

## Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2009

	Note	Consolidated	
		2009 (\$'000)	2008 (\$'000)
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		37,126	51,997
Payments to suppliers and employees		(40,586)	(44,758)
Interest and other costs of finance paid		(2,140)	(1,541)
Income tax paid		(634)	(31)
<b>Net cash provided by/(used in) operating activities</b>	8(e)	<b>(6,234)</b>	<b>5,667</b>
<b>Cash Flows from Investing Activities</b>			
Payment for investment securities		-	(10,596)
Proceeds from sale of investments		12,914	4,643
Interest received		29	336
Dividends and partnership distributions received		2,635	1,054
Payment for biological assets, property, plant and equipment		(7,471)	(3,573)
Proceeds from sale of biological assets, property, plant and equipment		654	66
Amounts advanced to related parties		-	(1,453)
Proceeds from borrowings to related parties		-	(54)
<b>Net cash provided by/(used in) investing activities</b>		<b>8,761</b>	<b>(9,577)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings from others		11,883	6,445
Repayment of borrowings from others		(13,663)	(3,292)
Employee share purchase plan loan repayments		-	13
Principal repayments under finance lease		(341)	(223)
Dividends paid		(1,535)	(1,963)
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,656)</b>	<b>980</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,129)</b>	<b>(2,930)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>1,355</b>	<b>4,285</b>
<b>Cash and cash equivalents at the end of the financial year</b>	8(a)	<b>226</b>	<b>1,355</b>

Notes to the preliminary final report are included on pages 9 to 20.

# **Webster Limited**

## **Notes to the Financial Statements**

For the financial year ended 30 June 2009

### **1 Summary of Accounting Policies**

#### **Statement of Compliance**

The preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A, the disclosure requirements of ASX Appendix 4E, the Corporations Act 2001, Accounting Standards and Urgent Issues Group Interpretations and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards (IFRS).

The preliminary final report does not include notes of the type normally included in an annual report and should be read in conjunction with the 30 June 2008 Annual Financial Report, the December 2008 Half-Year Financial Report and any public announcements made by Webster Ltd and its controlled entities during the year ended 30 June 2009 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

The preliminary final report was authorised for issue by the directors on 28 August 2009.

#### **Basis of Preparation**

The preliminary final report has 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 are rounded off to the nearest thousand dollars, unless otherwise indicated.

#### **Significant Accounting Policies**

The accounting policies and methods of computation adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the company's 2008 Annual Financial Report for the year ended 30 June 2008, other than as detailed below.

#### **Adoption of new and revised Accounting Standards**

In the current year, 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 its operations and are effective for the current annual reporting period.

# Webster Limited

## Notes to the Financial Statements

For the financial year ended 30 June 2009

### 1 Summary of Accounting Policies (continued)

#### Standards and Interpretations issued not yet effective

At the date of authorisation of the preliminary final report, a number of Standards and Interpretations were in issue but not yet effective.

Standard/Interpretation	Effective date
AASB 101 <i>Presentation of Financial Statements</i> (revised September 2007), AASB 2007-8 <i>Amendments to Australian Accounting Standards arising from AASB 101</i>	For annual reporting periods beginning on or after 1 January 2009.
AASB 8 <i>Operating Segments</i> , AASB 2007-3 <i>Amendments to Australian Accounting Standards arising from AASB 8</i>	For annual reporting periods beginning on or after 1 January 2009.
AASB 2007-10 <i>Further Amendments to Australian Accounting Standards arising from AASB 101</i>	For annual reporting periods beginning on or after 1 January 2009.
AASB 2008-1 <i>Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations</i>	For annual reporting periods beginning on or after 1 January 2009.
IFRS 3 <i>Business Combinations</i> (revised), IAS 27 <i>Consolidated and Separate Financial Statements</i> (revised)	For annual reporting periods beginning on or after 1 July 2009.
Amendments to IFRS 2 <i>Share-based Payment</i>	For annual reporting periods beginning on or after 1 January 2009.
AASB 2008-5 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Process</i>	For annual reporting periods beginning on or after 1 January 2009.
AASB 2008-6 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process</i>	For annual reporting periods beginning on or after 1 January 2009.
AASB 2008-7 <i>Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	For annual reporting periods beginning on or after 1 January 2009.
AASB 2009-2 <i>Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments</i>	For annual reporting periods beginning on or after 1 January 2009.
AASB 2009-4 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Process</i>	Applies to annual reporting periods beginning on or after 1 July 2009
AASB 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process</i>	Applies to annual reporting periods beginning on or after 1 January 2010

The directors anticipate that the adoption of these Standards and Interpretations in the future periods will have no material financial impact on the financial statements of the company or the Group. The circumstances addressed by Interpretation 10, which prohibits the reversal of certain impairment losses, do not affect either the company's or the Group's previously reported results.

These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement, which will be the company's annual reporting period beginning 1 July 2009.

## Notes to the Financial Statements

For the financial year ended 30 June 2009

Note	Consolidated	
	2009 (\$'000)	2008 (\$'000)
<b>2 Profit from Operations</b>		
Profit from operations before income tax expense includes the following items of revenue and expenses:		
<b>(a) Revenue</b>		
<b>Continuing operations</b>		
Revenue from the sale of goods	39,801	37,798
	<u>39,801</u>	<u>37,798</u>
<b>Discontinued operations</b>		
Revenue from the sale of goods	-	11,093
	<u>-</u>	<u>11,093</u>
<b>(b) Other Income</b>		
<b>Continuing operations</b>		
Unrealised increment in net market value of biological assets	346	1,046
Interest revenue	29	479
Rental revenue	629	537
Gain/(loss) on disposal of property, plant and equipment and biological assets	128	17
Gain/(loss) on disposal of investments	1,708	-
Net foreign exchange gains/(losses)	1	(12)
R&D grants	-	74
Other	613	520
<b>Total other income</b>	<u>3,454</u>	<u>2,661</u>
<b>(c) Expenses</b>		
Cost of sales	22,930	19,433
Finance costs:		
Interest on loans	1,896	1,644
Dividends on instruments classified as financial liabilities	35	35
Other finance costs	74	65
<b>Total finance costs</b>	<u>2,005</u>	<u>1,744</u>

## Notes to the Financial Statements

For the financial year ended 30 June 2009

	Note	Consolidated Carrying Amount		Ownership Interest	
		2009 (\$'000)	2008 (\$'000)	2009 (%)	2008 (%)
<b>3 Investments Accounted for Using the Equity Method</b>					
<b>Associates:</b>					
Tassal Group Limited					
- salmon producer & processor	(i)	45,919	52,464	21	26
- incorporated in Australia					
- quoted price at 30 June 2009 - \$1.94					
		<u>45,919</u>	<u>52,464</u>		

(i) Webster Limited sold shares in Tassal Group Limited during the year and currently has a 20.6% ownership interest.

### Summarised financial information of associates:

Current Assets	177,055	148,765
Non-Current Assets	176,819	131,105
Current Liabilities	(68,093)	(48,490)
Non-Current Liabilities	(74,534)	(42,292)
<b>Net Assets</b>	<u>211,247</u>	<u>189,088</u>
<b>Revenue</b>	<u>287,951</u>	<u>287,951</u>
<b>Net profit</b>	<u>30,084</u>	<u>19,534</u>
<b>Share of associates' profit or loss:</b>		
Share of profit/(loss) before income tax	9,836	7,054
Income tax expense	(2,270)	(1,879)
Share of associates' profit/(loss)	<u>7,566</u>	<u>5,175</u>

### Dividends received from associates

During the year the consolidated entity received dividends of \$2.635 thousand (2008: \$1,985 thousand) from its associates.

### Contingent Liabilities and Capital Commitments

There are no contingent liabilities and capital commitments related to associates.

## Notes to the Financial Statements

For the financial year ended 30 June 2009

### 4 Issued Capital

64,597,159 (2008: 63,158,149) fully paid ordinary shares

(i)

Consolidated	
2009	2008
(\$'000)	(\$'000)
42,580	41,256
<u>42,580</u>	<u>41,256</u>

#### (i) Fully Paid Ordinary Share Capital

Balance at beginning of financial year

Shares issued under dividend re-investment plan

Balance at end of financial year

(ii) (iii)

2009		2008	
Number	(\$'000)	Number	(\$'000)
63,158,149	41,256	62,111,170	39,819
1,439,010	1,324	1,046,979	1,437
<u>64,597,159</u>	<u>42,580</u>	<u>63,158,149</u>	<u>41,256</u>

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

#### (ii) Share Capital Issued During the Previous Financial Year

On 31 October 2007, Webster Limited paid a 4.5c final dividend with a dividend re-investment option. Under the dividend re-investment plan Webster Limited issued an additional 790,478 shares.

On 30 April 2008, Webster Limited paid a 1c interim dividend with a dividend re-investment option. Under the dividend re-investment plan Webster Limited issued an additional 256,501 shares.

#### (iii) Share Capital Issued During the Financial Year

On 31 October 2008, Webster Limited paid a 4.5c final dividend with a dividend re-investment option. Under the dividend re-investment plan Webster Limited issued an additional 1,439,010 shares.

### 5 Retained Earnings

Balance at beginning of financial year

Net profit/(loss) attributable to members of the parent entity

Dividends provided for or paid

Transfer from Reserves

Rounding adjustment

Balance at end of financial year

7

Consolidated	
2009	2008
(\$'000)	(\$'000)
13,324	10,639
3,432	6,106
(2,842)	(3,424)
356	
2	3
<u>14,272</u>	<u>13,324</u>

## Notes to the Financial Statements

For the financial year ended 30 June 2009

		<b>Consolidated Cents per Share</b>	
		<b>2009</b>	<b>2008</b>
<b>6 Earnings Per Share</b>			
Basic earnings per share			
From continuing operations	(a)	5.26	9.50
From discontinued operations	(a)	0.10	0.25
Total basic earnings per share		<u>5.35</u>	<u>9.75</u>
Diluted earnings per share			
From continuing operations	(b)	5.26	9.50
From discontinued operations	(b)	0.10	0.25
		<u>5.35</u>	<u>9.75</u>

### (a) Basic Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

		<b>2009</b> (\$'000)	<b>2008</b> (\$'000)	<b>2009</b> No.	<b>2008</b> No.
Earnings	(i)	3,432	6,106		
Earnings from continuing operations	(i)	<u>3,370</u>	<u>5,952</u>		
Weighted average number of ordinary shares for the purposes of basic earnings per share				<u>64,112,232</u>	<u>62,680,301</u>

(i) Earnings used in the calculation of total basic earnings per share and basic earnings per share reconciles to net profit in the income statement as follows:

		<b>2009</b> (\$'000)	<b>2008</b> (\$'000)
Net profit/(loss)		3,432	6,106
Earnings used in the calculation of basic EPS		3,432	6,106
Adjustments to exclude (profit)/loss for the period from discontinued operations		(62)	(154)
Earnings used in the calculation of basic EPS from continuing operations		<u>3,370</u>	<u>5,952</u>

### (b) Diluted Earnings per Share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

		<b>2009</b> (\$'000)	<b>2008</b> (\$'000)	<b>2009</b> No.	<b>2008</b> No.
Earnings	(i)	3,432	6,106		
Earnings from continuing operations	(i)	<u>3,370</u>	<u>5,952</u>		
Weighted average number of ordinary and potential ordinary shares for the purpose of diluted earnings per share				<u>64,112,232</u>	<u>62,680,301</u>

(i) Earnings used in the calculation of total diluted earnings per share and diluted earnings per share from continuing operations reconciles to net profit in the income statement as follows:

		<b>2009</b> (\$'000)	<b>2008</b> (\$'000)
Net profit/(loss)		3,432	6,106
Earnings used in the calculation of basic EPS		3,432	6,106
Adjustments to exclude profit/(loss) for the period from discontinued operations		(62)	(154)
Earnings used in the calculation of diluted EPS from continuing operations		<u>3,370</u>	<u>5,952</u>



## Notes to the Financial Statements

For the financial year ended 30 June 2009

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	(\$'000)	(\$'000)
<b>8 Notes to the cash flow statement</b>		
<b>(a) Reconciliation of cash and cash equivalents</b>		
For the purpose of the cash flow statement, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	226	1,355
	<u>226</u>	<u>1,355</u>
<b>(b) Non-Cash Financing and Investing Activities</b>		
During the financial year, the consolidated entity acquired equipment via finance leases to the value of \$683,000 (2008: \$445,000).		
<b>(c) Financing Facilities</b>		
Secured finance facilities reviewed annually and payable at call		
- Amount used	-	-
- Amount unused	6,000	6,000
	<u>6,000</u>	<u>6,000</u>
Secured bank loan rolling facilities reviewed annually and payable at call		
- Amount used	21,200	17,052
- Amount unused	4,000	2,000
	<u>25,200</u>	<u>19,052</u>
<b>(d) Cash Balances not Available for Use</b>		
There were no cash balances unavailable for use at balance date.		
<b>(e) Reconciliation of profit for the period to net cash flows from operating activities</b>		
<b>Profit/(loss) for the period</b>	3,432	6,106
Depreciation and amortisation of non-current assets	1,435	961
Adjustments relating to self-generating and regenerating assets	(346)	(1,046)
Net (profit)/loss on sale of non-current assets	(128)	(17)
Net (profit)/loss on disposal of discontinued operations	(61)	(379)
Net (profit)/loss on disposal of investments	(1,708)	-
Interest income received or receivable	(29)	(336)
Debt instrument dividends paid	36	36
Share of associates' (profit)/loss and dividends	(7,566)	(5,174)
Other	96	(75)
Net goods and services tax refunded/(paid)	-	-
Changes in net assets and liabilities, net of effects from the disposal of businesses (excluding impairment loss of discontinued operation):		
- Decrease/(increase) in receivables	(4,730)	12,019
- Decrease/(increase) in inventories	1,500	(2,552)
- Increase/(decrease) in payables	(842)	(6,208)
- Increase/(decrease) in provisions	730	137
- Increase/(decrease) in tax balances	1,947	2,195
<b>Net cash flows from operating activities</b>	<u>(6,234)</u>	<u>5,667</u>

## Notes to the Financial Statements

For the financial year ended 30 June 2009

### 9 Segment Information

#### (a) Information on Business Segments

	Industry Services (discontinued operations)		Horticulture		Aquaculture		TOTAL	
	2009	2008	2009	2008	2009	2008	2009	2008
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Continuing Operations</b>								
<b>Revenues</b>								
External sales	-	-	39,801	37,798	-	-	39,801	37,798
Other revenue	-	-	1,524	2,051	-	-	1,524	2,051
Segment total	-	-	41,325	39,849	-	-	41,325	39,849
Unallocated/Consolidation Adj							1,930	610
<b>Total</b>							<b>43,255</b>	<b>40,459</b>
<b>Results</b>								
Segment result	-	-	(410)	5,116	7,566	5,638	7,156	10,754
Borrowing costs							(2,005)	(1,744)
Unallocated							801	(1,056)
Profit before tax							5,952	7,954
Income tax (expense)/benefit							(2,582)	(2,002)
<b>Profit/(loss) for the year from continuing operations</b>							<b>3,370</b>	<b>5,952</b>
<b>Discontinued operations</b>								
<b>Revenues</b>								
External sales	-	11,093	-	-	-	-	-	11,093
Segment total	-	11,093	-	-	-	-	-	11,093
<b>Total</b>							<b>-</b>	<b>11,093</b>
<b>Results</b>								
Segment result	62	379	-	-	-	-	62	379
Borrowing costs							-	-
Profit/(loss) before tax							62	379
Income tax (expense)/benefit							-	(225)
<b>Profit/(loss) for the year from discontinued operations</b>							<b>62</b>	<b>154</b>
<b>Profit for the year</b>							<b>3,432</b>	<b>6,106</b>
<b>Segment Assets &amp; Liabilities</b>								
<b>Assets</b>								
Segment assets	-	-	45,611	35,868	45,919	52,464	91,530	88,332
Unallocated							6,536	8,707
<b>Total</b>							<b>98,066</b>	<b>97,039</b>
<b>Liabilities</b>								
Segment liabilities	-	-	(8,735)	(14,762)	-	-	(8,735)	(14,762)
Unallocated							(31,336)	(25,604)
<b>Total</b>							<b>(40,071)</b>	<b>(40,366)</b>

## Notes to the Financial Statements

For the financial year ended 30 June 2009

### 9 Segment Information (continued)

	Industry Services (discontinued operations)		Horticulture		Aquaculture	
	2009	2008	2009	2008	2009	2008
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Other Information</b>						
Acquisition of non-current assets	-	-	7,471	3,007	-	-
Depreciation and amortisation	-	-	1,168	716	-	-
Carrying value of investments accounted for using the equity method	-	-	-	-	45,919	52,464
Share of net profit/(loss) of associate and joint venture entities accounted for under equity method	-	-	-	(464)	7,566	5,638

#### Products within each business segment

For management purposes, the consolidated entity is organised into three major operating divisions. These divisions are the basis on which the consolidated entity reports its primary segment information. The principal products and services of each of these divisions are as follows:

##### Industrial Services

(discontinued operations) - Wholesaling of a range of finished goods including industrial supplies, heavy machinery and automotive parts throughout Tasmania.

Horticulture - Growing, processing, packing and marketing of vegetables and nuts for export and domestic markets.

Aquaculture - Investment in the production, processing, value-adding and marketing of salmon for export and domestic markets .

#### (b) Information on Geographical Segments

The consolidated entity is based solely in Tasmania. Goods are sold in both domestic and international markets.

Geographical Segment	Revenue from external customers		Segment assets		Acquisition of segment assets	
	2009	2008	2009	2008	2009	2008
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Australia	15,721	13,818	98,066	97,039	7,471	3,007
Europe	20,078	20,930	-	-	-	-
Asia	4,002	3,050	-	-	-	-

The consolidated entity's three divisions operate in three principal geographical locations - Australia, Europe and Asia. The composition of each geographical segment is as follows:

Australia The Webster Group manufactures, produces and sells a broad range of its products in Australia.

Europe The Webster Group sells horticultural products into Northern Europe.

Asia The Webster Group sells horticultural products into Asia.

## Notes to the Financial Statements

For the financial year ended 30 June 2009

### 10 Discontinued Operations

#### Disposal of the industrial businesses and interest in Kelp Industries Pty Ltd

During the 2007 financial year, Webster Limited disposed of its Trucks & Machinery and Bearings & Engineering Supplies businesses, as well as the company's 50% investment in Kelp Industries Pty Ltd. As disclosed in the 2007 annual report the divestment process ultimately resulted in the businesses being sold for a value higher than originally recorded in the 2007 accounts, with earnings adjustments recorded in the 2008 and 2009 financial years.

The profit for the period from the discontinued operations is as follows:

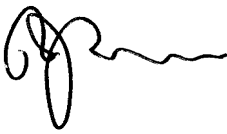
	Consolidated	
	2009 (\$'000)	2008 (\$'000)
<b>Profit from discontinued operations</b>		
Revenue (note 2)	-	11,093
Other income (note 2)	-	-
Share of net profits of associate accounted for using the equity method	-	40
	-	11,133
Expenses	-	(10,861)
Profit/(Loss) before income tax expense	-	272
Attributable income tax (expense)/benefit	-	-
	-	272
Gain/(loss) on disposal of operation	62	107
	62	107
Attributable income tax expense	-	(225)
	62	(118)
Gain/(loss) for the year from discontinued operations	62	154

### 11 Subsequent Events

Since the end of the year the directors are not aware of any matter or circumstance that has arisen, other than that which has been described above, that has significantly or may significantly affect the operations of the consolidated group, the results of those operations or the state of affairs of the consolidated group in subsequent financial years.

## **Compliance Statement**

- (a) This preliminary final report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Interpretations and other standards acceptable to the ASX.
- (b) This preliminary final report and the accounts upon which the report is based, use the same accounting policies.
- (c) This preliminary final report gives a true and fair view of the matters disclosed.
- (d) This preliminary final report is based on financial statements, which are in the process of being audited. It is not expected that the financial statements will be subject to dispute or qualified.
- (e) The entity has a formally constituted audit & risk committee.



**R J Roberts**  
**Chairman**  
**Webster Limited**  
**28 August 2009**