

WEBSTER LIMITED

Results Presentation – June 2007 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 2007.

WEBSTER

World class agribusiness - in our own backyard

Financial Results

June 2007 Full Year



Key Messages

SOUND UNDERLYING PROFIT GAINS

- Strong underlying pre-tax profit at \$10.607m is up from \$3.774m last year.
- Underlying profit after tax \$8.548m (FY06 \$3.521m), a \$5.027m improvement.
- Have written back some assets this year (mostly non cash) which reduce reported PBT from Continuing Operations to \$7.3m. \$6.243m of non-operating items includes loss provided on disposal of discontinued operations; write down of walnut assets; and CEO retirement payment.
- Reported NPAT (after non recurring) \$2.305m (FY06 \$5.234m)

CONSERVATIVE BALANCE SHEET

- Continued reduction in borrowing costs and gearing level. Net debt to equity reduced from 34% to 21% (further reduced since balance date).
- Insignificant intangibles.

GOOD CASH FLOW

- Operating cash flows positive \$8.401m (2006: \$2.450m).



Key Messages (continued)

EVEN SPREAD OF EARNINGS

- Earnings relatively equal between Horticulture and Aquaculture.
- Solid operating EBIT improvements made in Webster Fresh and Webster Walnuts businesses.
- Strong contribution from Associates of \$5.059m (2006: \$2.200m). Tassal continues to generate strong returns.
- Divestment underway post balance date of the industrial businesses and interest in Kelp Industries (forecast write down effect taken in FY07).

INVESTORS

- TGR investment value easy to see within WBA balance sheet.
- Either TGR heavily discounted, or Horticulture assets given approx notional value by the stock market.
- Strong underlying FY07 result forecast to continue in current year
- Dividend of 4.5c takes total dividends for FY07 to 5.5c (versus 3c last year).



Consolidated Income Statement (Continuing & Discontinuing Operations)

	FY2007 (\$'000s)	FY2006 (\$'000s)
Sales Revenue	81,588	69,928
EBIT		
Industrial	194	-74
Vegetables	2,799	1,902
Walnuts	4,885	1,465
Corporate (inc Group STI)	-1,197	-880
Operating EBIT (divisions)	6,681	2,413
Contribution from Acquaculture Associate	5,629	2,662
Contribution from Walnut Associate	-570	-606
Finance Costs	-1,408	-1,594
Operating Profit before tax	10,332	2,875
Earnings from Divestments	-2,855	1,951
Assets Write Down	-2,500	0
CEO Retirement Package	-800	0
Net Profit before Tax	4,177	4,826
Tax expense/income	-1,872	408
Net Profit after Tax	2,305	5,234
NPAT - Continuing Operations	5,435	
NPAT - Discontinuing Operations	-3,130	



Consolidated Balance Sheet

	FY2007 (\$'000s)	FY2006 (\$'000s)
Current Assets	38,487	34,018
Non Current Assets	52,702	50,839
Total Assets	91,189	84,857
Current Liabilities	31,415	28,563
Non Current Liabilities	7,028	5,918
Total Liabilities	38,443	34,481
Total Equity	52,746	50,376
Net Debt to Equity	21%	34%
Adjusted Equity (MTM of Tassal investment) *	121,130	
Adjusted Net Debt to Equity	9%	

* 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

	FY2007 (\$'000s)	FY2006 (\$'000s)
Cash Flows from Operations	8,401	2,450
Cash Flows from Investing		
Acquisition of additional Tassal shares	-237	-3,475
Proceeds from sale of investments	0	1,998
Net Capital Expenditure	-855	1,426
Other (WWPL financing flows)	-1,239	2,225
Total Investing Cash Flows	-2,331	2,174
Net Cash Movement, pre Finance Flows and Dividends	6,070	4,624
Cash Flows from Financing		
Debt Repayments	-3,956	-4,475
Dividends Paid	-1,554	-882
Proceeds from the issue of securities	0	569
Other	248	512
Total Financing Cash Flows	-5,262	-4,276
Net Cash Movement	808	348



Divisional Performance

June 2007 Half Year



- Webster Fresh is a vertically integrated producer and exporter of premium vegetables (onions, carrots and shallots), which are marketed globally.
- The division completed another successful sales season, with a \$0.9 million improvement on the prior year's EBIT result. The largest contributor to the result was brown onions.
- Whilst onion volumes were lower than expected due to dry growing conditions, solid pricing in Europe were achieved, resulting in an above budget performance.
- Carrots performed below expectations, driven by a reduction on Class 1 volume, which resulted in an EBIT result below expectations.
- Red onions recorded an improved EBIT profit, with research and development continuing in onion genetics and new market opportunities being explored.
- Directors continue to be pleased, both with earnings gains made in recent years and with how the WF business model is positioned for future profitable growth and possible extension into other products and other regions.



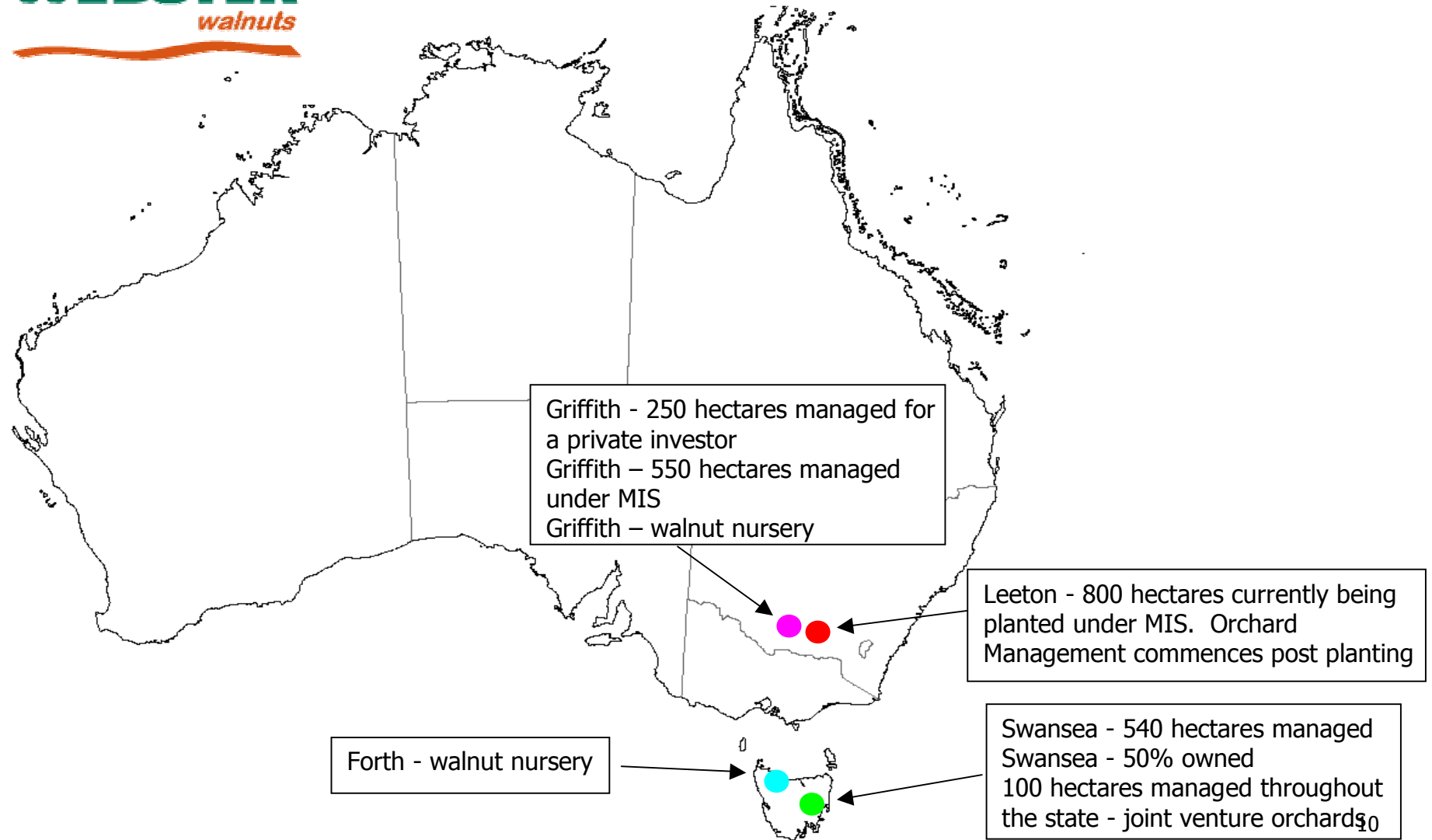


- Webster is the largest walnut orchard manager in the Southern Hemisphere with approximately 2,200 hectares under management in Tasmania and NSW, an increase of 800 hectares on the prior year.
- The Webster Walnut operation delivered an EBIT of \$4.9 million during FY2007, up from \$1.5 in FY2006, while the equity accounted associate company on Tasmania's East Coast resulted in Webster recording a loss of \$0.6 million.
- FY2007 saw the successful establishment of an 800 hectare orchard in the Riverina district of NSW. This is in addition to the 550 hectares developed during FY2006.
- Earnings streams during 2007 were generated from nursery operations, orchard development and orchard management.
- Late spring frosts reduced the yield of the Tasmanian walnut joint venture orchard during 2007. An improvement is expected in 2008 with frost mitigation strategies being addressed.



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walnuts



Webster Bearings & Engineering Supplies

- **Underperformance in sales was the primary cause of poor full year earnings in Webster Bearings & Engineering Supplies during FY2007. 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, with an organisational restructure completed.**

Webster Trucks & Machinery

- **Despite remaining at unsatisfactory levels, performance in the Webster Trucks & Machinery has improved period on period, which continues to be primarily attributable to increased sales revenue.**
- **The improved performance the full year result was below management's expectations.**

Prior to 30 June, Directors negotiated the sale of these businesses. This sale is subject to shareholder approval.



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 28.21% of the shares of Tassal.
- The investment in Tassal achieved an equity accounted profit of \$5.6 million for the full year.
- In addition to the earnings contribution, the increasing share price has seen the investment value increase to more than \$100 million, based on a current mark-to-market valuation.
- Tassal is well positioned to grow from its strength both in marine operations and via its leadership position in the marketplace. (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. An \$88,000 equity accounted profit for the full year was booked.
- Webster's interest in Kelp Industries is being divested as a part of the industrial business sale referred to on the previous slide.



Future Outlook



Future Outlook

- On 3rd July the company announced that its strategic direction – specifically growth in the aquaculture and horticulture sectors.
- The first stage in this process is the disposal of the non-core industrial and Kelp Industries assets.
- The second potential stage as announced on the 15th August resulted from a proposal received from Futuris Corporation Limited to progress this strategic direction through a number of transactions. These transactions comprise:
 - the transfer of Futuris' aquaculture and horticulture interest to Webster in exchange for ordinary shares; and
 - the provision to Webster of a \$25 million secured loan facility convertible to ordinary shares to fund future rationalisation opportunities.
 - Webster is presently undertaking due diligence in relation to this proposal.
- In addition to the potential acquisition growth, Webster is positioned well to continue to deliver sound earnings from its existing Webster Fresh and Webster Walnuts operations, and anticipates strengthening earnings from Tassal.

