

# **WEBSTER LIMITED**

## **Appendix 4E: Preliminary Final Report**

### **Financial Year Ended 30 June 2008**



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 2007, the December 2007 Half-Year Report and any public announcements made by Webster Ltd and its controlled entities during the year ended 30 June 2008 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 Ltd is pleased to announce a net profit after income tax of \$6.106 million for 2008, in comparison to \$2.305 million in the 2007 financial year.

During 2008 Webster continued to consolidate its operating base, with the result not affected by significant items that negatively impacted earnings as occurred in 2007. The contribution from associates was again strong, with a contribution pre tax of \$5.175 million. A small pre-tax profit of \$0.379 million was recorded in respect to discontinued operations, being an additional profit achieved from the sale of the company's industrial businesses. Revenue was down \$8.102 million due primarily to no new walnut orchard development revenue in 2008.

Webster Fresh, the company's vegetable operation delivered another solid result in 2008, recording an EBIT profit of \$2.475 million. This result was marginally down on the prior year, with an excellent performance achieved in onions being partially offset by the lower than expected return from carrots. Late in 2008 Webster Fresh committed to the purchase of a carrot processing line to increase capacity, improve efficiencies and address product handling issues. In addition specialist personnel in agronomy have been recruited to focus on building this business. The onion operation, which is predominately export focused, had another strong year with good quality outputs and sound pricing achieved in the marketplace.

The Webster Walnuts division reported an EBIT profit of \$2.357 million in 2008, down from \$4.885 million in the prior year. The reduction in earnings is attributable to no new walnut orchard development in 2008. Early in the 2008 financial year the residual planting of the Riverina orchard of 800 hectares, developed in the prior year, was completed. The total area under management in NSW and Tasmania is now in excess of 2,200 hectares.

During 2008 Webster acquired the outstanding shares in associate Webster Walnuts Pty Ltd which owns a 540-hectare orchard on Tasmania's east coast. During the first half of the year this company was a 50% owned associate of Webster, whilst in the second half it was consolidated into the group. The yield from this orchard was a significant improvement on the prior year as it was largely unaffected by frosts that negatively impacted yields in 2007. Further frost mitigation strategies are currently being implemented for the 2009 season.

Webster's 26.08% interest in listed salmon business Tassal Group Limited (Tassal) generated an equity accounted result for 2008 which amounted to \$5.638 million. The focus of Tassal continues to be on being globally cost competitive, primarily through capital investment and innovation. During the year Webster acquired a further \$7.993 million of shares in Tassal.

During 2008 the company had a positive operating cash flow of \$5.667 million and received proceeds from the divestment of non-core assets of \$4.643 million. These cash flows together with bank borrowings were utilised in part to fund the acquisition of shares in Tassal and Webster Walnuts Pty Ltd. As a result of the acquisition of Webster Walnuts Pty Ltd, \$7 million of bank debt was consolidated into the Webster group. As a result of the increase in debt, finance costs increased to \$1.744 million, up from \$1.315 million in 2007.

The Directors have declared a final ordinary dividend of 4.5 cents per share, payable on 31 October 2008. The dividend will be franked to 1.94%. The record date for determining entitlement to the dividend is 9 October 2008. A dividend reinvestment plan will be offered to all shareholders.

Webster plans to hold its annual general meeting on 11th November 2008 in Hobart.

For enquiries please contact:

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Chairman

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**WEBSTER LIMITED**  
**ACN 009 476 000**

**Reporting Period**

Financial year ended 30 June 2008 ("current period")  
 Previous corresponding period, financial year ended 30 June 2007.

**Results for Announcement to the Market**

				(\$'000) Current Period
Revenue from Ordinary Activities	Down	18%	to	37,798
Profit/(Loss) from Ordinary Activities After Tax Attributable to Members	Up	165%	to	6,106
Net Profit/(Loss) After Tax Attributable to Members	Up	165%	to	6,106
<b>Dividends</b>				
		<b>Amount per Security</b> (cents)		<b>Franked Amount per Security</b> (cents)
Final dividend on Cumulative Preference Shares (payable 30/9/08)		4.5		4.5
Final dividend on Ordinary Shares (payable 31/10/08)		4.5		0.1
Record date for determining entitlements to Cumulative Preference Dividend				19-Sep-08
Record date for determining entitlements to Ordinary Share Dividend				9-Oct-08

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

Please refer to the commentary contained on page 2 of this Appendix.

The result for the current reporting period includes the following items:

The decrease in revenue from operating activities primarily relates to a reduction in walnut orchard development revenue in 2008. During 2008 there was no new major walnut development undertaken.

The net profit after tax attributable to members in the 2008 financial year is 165% higher than the 2007 year due the current years result not being affected by significant non-operating transactions of the prior year. In 2007 net profit was affected by a loss on disposal of discontinued operations amounting to \$2.943 million, whilst there was \$3.30 million of non-recurring impairment losses on assets and other expenses.

Net profit after tax from continuing operations was up approximately 10% on the prior year due to a sound result achieved from operations and a solid contribution recorded from associates.

## 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-07	18	0 cents
	Interim	31-Mar-08	18	0 cents
Ordinary Dividends	Final	31-Oct-07	2,795	0 cents
	Interim	30-Apr-08	629	0 cents

The final cumulative preference share dividend was fully franked at the 30% tax rate. The interim cumulative preference share and interim ordinary share dividends were unfranked. The final ordinary share dividend was franked to 5.15% at 30% corporate tax rate.

## Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) is applicable to the Final and Interim Dividend of Fully Paid Ordinary Shares (ASX code WBA). The discount rate is 5%. The issue price is 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	89.10	84.46

## Gain or Loss of Control Over Entities

(a) Gain of control over	Webster Walnuts Pty Ltd
Date of gain of control	22 January 2008
Contribution to profit from ordinary activities in the current reporting period and whole of previous corresponding period	(69,000) (570,000)
(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: The Henry Jones Art Hotel, 25 Hunter Street Hobart  
 Date: Tuesday 11 November 2008  
 Time: 10:30 a.m.

Approximate date Annual Report will be available: 6 October 2008

# Webster Limited

## Consolidated Income Statement

For the financial year ended 30 June 2008

		<b>Consolidated</b>	
	<b>Note</b>	<b>2008</b> (\$'000)	<b>2007</b> (\$'000)
Revenue	2(a)	37,798	45,900
Cost of sales	2(c)	<u>(19,433)</u>	<u>(21,157)</u>
<b>Gross Profit</b>		18,365	24,743
Other income	2(b)	2,661	1,875
Share of net profits of associates and joint ventures accounted for using the equity method		5,175	5,059
Distribution expenses		(9,508)	(8,665)
Marketing expenses		(676)	(778)
Operational expenses		(3,637)	(7,223)
Administration expenses		(2,619)	(2,928)
Finance costs	2(c)	(1,744)	(1,315)
Other expenses		<u>(63)</u>	<u>(161)</u>
<b>Profit/(loss) before significant items and before income tax expense</b>		<u>7,954</u>	<u>10,607</u>
Impairment loss on associate		-	(2,000)
Impairment of walnut assets		-	(500)
Termination package		-	(800)
<b>Profit/(loss) after significant items and before income tax expense</b>		<u>7,954</u>	<u>7,307</u>
Income tax (expense)/income		<u>(2,002)</u>	<u>(1,872)</u>
<b>Profit/(loss) from continuing operations</b>		<u>5,952</u>	<u>5,435</u>
Gain/ (loss) from discontinued operations	10	<u>154</u>	<u>(3,130)</u>
<b>Profit/(loss) for the period</b>		<u>6,106</u>	<u>2,305</u>
<b>Profit/(loss) attributable to members of the parent entity</b>		<u>6,106</u>	<u>2,305</u>
 <b>Earnings per share for continuing and discontinued operations</b>			
Basic (cents per share)	6	9.74	3.74
Diluted (cents per share)	6	9.74	3.74
 <b>Earnings per share from continuing operations</b>			
Basic (cents per share)	6	9.50	8.83
Diluted (cents per share)	6	9.50	8.83

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

# Webster Limited

## Consolidated Balance Sheet

As at 30 June 2008

	Note	Consolidated	
		2008 (\$'000)	2007 (\$'000)
<b>Current Assets</b>			
Cash and cash equivalents	8(a)	1,355	4,285
Trade and other receivables		7,086	18,231
Other financial assets		349	4,207
Inventories		4,854	1,823
Other assets		336	506
Biological assets		989	299
		<u>14,969</u>	<u>29,351</u>
Assets classified as held for sale		-	9,136
<b>Total current assets</b>		<b><u>14,969</u></b>	<b><u>38,487</u></b>
<b>Non-Current Assets</b>			
Other financial assets		-	13
Investments accounted for using the equity method	3	52,464	42,106
Property, plant and equipment		18,314	9,247
Biological assets		9,852	-
Investment property		1,043	1,050
Goodwill		397	286
		<u>82,070</u>	<u>52,702</u>
<b>Total non-current assets</b>		<b><u>82,070</u></b>	<b><u>52,702</u></b>
<b>Total assets</b>		<b><u>97,039</u></b>	<b><u>91,189</u></b>
<b>Current Liabilities</b>			
Trade and other payables		7,507	13,262
Borrowings		17,873	12,437
Current tax liability		449	-
Other financial liabilities		75	12
Provisions		716	499
		<u>26,620</u>	<u>26,210</u>
Liabilities directly associated with assets classified as held for sale		-	5,205
<b>Total current liabilities</b>		<b><u>26,620</u></b>	<b><u>31,415</u></b>
<b>Non-Current Liabilities</b>			
Borrowings		7,480	2,857
Deferred tax liabilities		6,213	4,038
Provisions		53	133
		<u>13,746</u>	<u>7,028</u>
<b>Total non-current liabilities</b>		<b><u>13,746</u></b>	<b><u>7,028</u></b>
<b>Total liabilities</b>		<b><u>40,366</u></b>	<b><u>38,443</u></b>
<b>Net assets</b>		<b><u>56,673</u></b>	<b><u>52,746</u></b>
<b>Equity</b>			
Issued capital	4	41,256	39,819
Reserves		2,093	2,288
Retained earnings	5	13,324	10,639
		<u>56,673</u>	<u>52,746</u>
<b>Total equity</b>		<b><u>56,673</u></b>	<b><u>52,746</u></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 2008

<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 2006</b>	<b>38,798</b>	-	<b>819</b>	<b>(20)</b>	<b>10,779</b>	<b>50,376</b>
Gain/(loss) taken to equity	-	-	-	59	-	59
Profit for the year	-	-	-	-	2,305	2,305
Total recognised income and expense for the year	-	-	-	<b>59</b>	<b>2,305</b>	<b>2,364</b>
Effect of changes in accounting policy as restated						
Recognition of equity as a liability	-	-	-	-	-	-
Contribution of equity net of transaction costs	-	-	-	-	-	-
Equity issued under Company dividend reinvestment plan	1,021	-	-	-	-	1,021
Share of associates reserves	-	120	1,310	-	-	1,430
Dividends paid or provided for	-	-	-	-	(2,445)	(2,445)
Rounding adjustment	-	-	-	-	-	-
<b>Balance at 30 June 2007</b>	<b>39,819</b>	<b>120</b>	<b>2,129</b>	<b>39</b>	<b>10,639</b>	<b>52,746</b>
<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>
Effect of changes in accounting policy as restated						
Recognition of equity as a liability	-	-	-	-	-	-
Contribution of equity net of transaction costs	-	-	-	-	-	-
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>

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 2008

	Note	Consolidated	
		2008 (\$'000)	2007 (\$'000)
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		51,997	83,205
Payments to suppliers and employees		(44,758)	(73,794)
Interest and other costs of finance paid		(1,541)	(1,010)
Income tax paid		(31)	-
<b>Net cash provided by/(used in) operating activities</b>	8(g)	<b>5,667</b>	<b>8,401</b>
<b>Cash Flows from Investing Activities</b>			
Payment for investment securities		(10,596)	(237)
Proceeds from sale of investments		4,643	-
Interest received		336	476
Dividends and partnership distributions received		1,054	90
Payment for biological assets, property, plant and equipment		(3,573)	(1,350)
Proceeds from sale of biological assets, property, plant and equipment		66	495
Amounts advanced to related parties		(1,453)	(1,861)
Proceeds from borrowings to related parties		(54)	56
<b>Net cash provided by/(used in) investing activities</b>		<b>(9,577)</b>	<b>(2,331)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings from others		6,445	246
Repayment of borrowings from others		(3,292)	(3,163)
Employee share purchase plan loan repayments		13	2
Principal repayments under finance lease		(223)	(793)
Dividends paid		(1,963)	(1,554)
Proceeds from the issue of equity securities		-	-
<b>Net cash provided by/(used in) financing activities</b>		<b>980</b>	<b>(5,262)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,930)</b>	<b>808</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>4,285</b>	<b>3,477</b>
<b>Cash and cash equivalents at the end of the financial year</b>	8(a)	<b>1,355</b>	<b>4,285</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 2008

### **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 2007 Annual Financial Report, the December 2007 Half-Year Financial Report and any public announcements made by Webster Ltd and its controlled entities during the year ended 30 June 2008 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 2008.

#### **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 2007 Annual Financial Report for the year ended 30 June 2007, 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. The Group has also adopted the following Standards as listed below which only impacted on the consolidated entity's financial statements with respect to disclosure and this preliminary final report.

- AASB 101 'Presentation of Financial Statements (revised October 2006)'
- AASB 7 'Financial Instruments: Disclosures'.

#### **Standards and Interpretations issued not yet effective**

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective:

- AASB 101 'Presentation of Financial Statements' – revised September 2007 (effective for annual reporting periods beginning on or after 1 January 2009);

# **Webster Limited**

## **Notes to the Financial Statements**

For the financial year ended 30 June 2008

### **1 Summary of Accounting Policies (continued)**

#### **Standards and Interpretations issued not yet effective (continued)**

- AASB 8 'Operating Segments' (effective for annual reporting periods beginning on or after 1 January 2009);
- AASB 123 'Borrowing Costs' revised (effective for annual reporting periods beginning on or after 1 January 2009);
- AASB 2008-2 'Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation' (effective for annual reporting periods beginning on or after 1 January 2009); and
- AASB 3 'Business Combinations' and IAS 27 'Separate and Consolidated Financial Statements' (effective for annual reporting periods beginning on or after 1 July 2009).

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 2008.

## Notes to the Financial Statements

For the financial year ended 30 June 2008

Note	Consolidated	
	2008 (\$'000)	2007 (\$'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	37,798	43,994
Revenue from the rendering of services	-	1,906
	<u>37,798</u>	<u>45,900</u>
<b>Discontinued operations</b>		
Revenue from the sale of goods	11,093	35,688
	<u>11,093</u>	<u>35,688</u>
<b>(b) Other Income</b>		
<b>Continuing operations</b>		
Unrealised increment in net market value of biological assets	1,046	-
Interest revenue:	479	394
Rental revenue	537	605
Gain/(loss) on disposal of property, plant and equipment and biological assets	17	56
Net foreign exchange gains/(losses)	(12)	37
R&D grants	74	63
Other	520	720
<b>Total other income</b>	<u>2,661</u>	<u>1,875</u>
<b>Discontinued operations</b>		
Other revenue	-	228
	<u>-</u>	<u>228</u>
<b>(c) Expenses</b>		
Cost of sales	19,433	21,157
Finance costs:		
Interest on loans	1,644	1,175
Dividends on instruments classified as financial liabilities	35	36
Other finance costs	65	104
<b>Total finance costs</b>	<u>1,744</u>	<u>1,315</u>

## Notes to the Financial Statements

For the financial year ended 30 June 2008

	Note	Consolidated		Ownership Interest	
		Carrying Amount		2008	2007
		2008	2007	2008	2007
		(\$'000)	(\$'000)	(%)	(%)
<b>3 Investments Accounted for Using the Equity Method</b>					
<b>Associates:</b>					
Tassal Group Limited					
- salmon producer & processor	(i)	52,464	39,887	26	28
- incorporated in Australia					
- quoted price at 30 June 2008 \$2.60					
Webster Walnuts Pty Ltd					
- walnut orchardist	(ii) (iii)	-	2,219	100	50
- incorporated in Australia					
		<u>52,464</u>	<u>42,106</u>		

(i) Webster Limited acquired additional shares in Tassal Group Limited during the year and currently has a 26.08% ownership interest.

(ii) The Directors conducted an impairment analysis in relation to the investment in Webster Walnuts Pty Ltd as at 30 June 2007. This analysis resulted in an impairment loss of \$2 million being recognised in the profit and loss during the 2007 financial year. This loss is disclosed in the Income Statement under "Impairment loss on associate".

(iii) On 22 January 2008, Webster Limited completed the acquisition of all outstanding shares in Webster Walnuts Pty Ltd, thereby increasing its shareholding to 100%.

### Summarised financial information of associates:

Current Assets	148,765	113,783
Non-Current Assets	131,105	106,424
Current Liabilities	(48,490)	(36,956)
Non-Current Liabilities	(42,292)	(68,551)
<b>Net Assets</b>	<u>189,088</u>	<u>114,700</u>
<b>Revenue</b>	<u>287,951</u>	<u>248,720</u>
<b>Net profit</b>	<u>19,534</u>	<u>19,181</u>

### Share of associates' profit or loss:

Share of profit/(loss) before income tax	7,054	7,471
Income tax expense	(1,879)	(2,412)
Share of associates' profit/(loss)	<u>5,175</u>	<u>5,059</u>

### Dividends received from associates

During the year the consolidated entity received dividends of \$1,985 thousand (2007: \$1,688 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 2008

### 4 Issued Capital

63,158,149 (2007: 62,111,170) fully paid ordinary shares

(i)

Consolidated	
2008	2007
(\$'000)	(\$'000)
41,256	39,819
<u>41,256</u>	<u>39,819</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)

2008		2007	
Number	(\$'000)	Number	(\$'000)
62,111,170	39,819	60,850,338	38,798
1,046,979	1,437	1,260,832	1,021
<u>63,158,149</u>	<u>41,256</u>	<u>62,111,170</u>	<u>39,819</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 2006, Webster Limited paid a 3c final dividend with a dividend re-investment option. Under the dividend re-investment plan Webster Limited issued an additional 1,001,123 shares.

On 30 April 2007, Webster Limited paid a 1c interim dividend with a dividend re-investment option. Under the dividend re-investment plan Webster Limited issued an additional 259,709 shares.

#### (iii) Share Capital Issued During the 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.

### 5 Retained Earnings

Balance at beginning of financial year  
Net profit/(loss) attributable to members of the parent entity  
Dividends provided for or paid  
Rounding adjustment  
Balance at end of financial year

7

Consolidated	
2008	2007
(\$'000)	(\$'000)
10,639	10,779
6,106	2,305
(3,424)	(2,445)
3	-
<u>13,324</u>	<u>10,639</u>

## Notes to the Financial Statements

For the financial year ended 30 June 2008

		<b>Consolidated Cents per Share</b>	
		<b>2008</b>	<b>2007</b>
<b>6 Earnings Per Share</b>			
Basic earnings per share			
From continuing operations	(a)	9.50	8.83
From discontinued operations	(a)	0.25	(5.08)
Total basic earnings per share		<u>9.74</u>	<u>3.74</u>
Diluted earnings per share			
From continuing operations	(b)	9.50	8.83
From discontinued operations	(b)	0.25	(5.08)
		<u>9.74</u>	<u>3.74</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>2008</b> (\$'000)	<b>2007</b> (\$'000)	<b>2008</b> No.	<b>2007</b> No.
Earnings	(i)	<u>6,106</u>	<u>2,305</u>		
Earnings from continuing operations	(i)	<u>5,952</u>	<u>5,435</u>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	(ii)			<u>62,680,301</u>	<u>61,557,500</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>2008</b> (\$'000)	<b>2007</b> (\$'000)
Net profit/(loss)		<u>6,106</u>	<u>2,305</u>
Earnings used in the calculation of basic EPS		6,106	2,305
Adjustments to exclude (profit)/loss for the period from discontinued operations		<u>(154)</u>	<u>3,130</u>
Earnings used in the calculation of basic EPS from continuing operations		<u>5,952</u>	<u>5,435</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>2008</b> (\$'000)	<b>2007</b> (\$'000)	<b>2008</b> No.	<b>2007</b> No.
Earnings	(i)	<u>6,106</u>	<u>2,305</u>		
Earnings from continuing operations	(i)	<u>5,952</u>	<u>5,435</u>		
Weighted average number of ordinary and potential ordinary shares for the purpose of diluted earnings per share	(ii)			<u>62,680,301</u>	<u>61,557,500</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>2008</b> (\$'000)	<b>2007</b> (\$'000)
Net profit/(loss)		<u>6,106</u>	<u>2,305</u>
Earnings used in the calculation of basic EPS		6,106	2,305
Adjustments to exclude profit/(loss) for the period from discontinued operations		<u>(154)</u>	<u>3,130</u>
Earnings used in the calculation of diluted EPS from continuing operations		<u>5,952</u>	<u>5,435</u>

(ii) Weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

		<b>2008</b> No.	<b>2007</b> No.
Weighted average number of ordinary shares used in the calculation of basic EPS		<u>62,680,301</u>	<u>61,557,500</u>
Weighted average number of shares used in the calculation of diluted EPS		<u>62,680,301</u>	<u>61,557,500</u>

## Notes to the Financial Statements

For the financial year ended 30 June 2008

Note	2008		2007	
	Cents per share	Total (\$'000)	Cents per share	Total (\$'000)
<b>7 Dividends</b>				
Fully paid ordinary shares				
Final Dividend franked to 5.15%	4.5	2,795	3.0	1,826
Interim Dividend unfranked	1.0	629	1.0	619
		3,424		2,445
			<b>Company</b>	
			<b>2008</b>	<b>2007</b>
			(\$'000)	(\$'000)
Adjusted franking account balance			477	69
Impact on franking account balance of dividends not recognised			24	69
Income tax consequences of unrecognised dividends.			-	-
<b>Franking account balance at 1 July</b>			69	1,093
Tax paid			31	-
Dividends received			-	39
Dividends paid			(69)	(1,063)
<b>Franking account balance at 30 June</b>			31	69
Franking credits that will arise from the payment of income tax payable as at the reporting date			446	-
<b>Net franking credits available</b>			477	69

The Directors have declared a 4.5 cent per share dividend franked to 1.94% at 30% corporate income tax rate, payable on 31 October 2008. The record date for determining entitlement to the dividend is 9 October 2008.

## Notes to the Financial Statements

For the financial year ended 30 June 2008

	<b>Consolidated</b>	
	<b>2008</b>	<b>2007</b>
	(\$'000)	(\$'000)
<b>8 Notes to the cash flow statement</b>		
<b>(a) Reconciliation of cash and cash equivalents</b>		
<p>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:</p>		
Cash and cash equivalents	1,355	4,285
Cash and cash equivalents attributable to discontinued operations (note 10)	-	-
	1,355	4,285
<b>(b) Businesses Acquired</b>		
<p>On 22 January 2008 Webster Limited completed the acquisition of all outstanding shares in Webster Walnuts Pty Ltd, thereby increasing its shareholding to 100%. Prior to this Webster Walnuts was an equity accounted associate owned 50% by Webster Limited.</p>		
<b>(c) Business Disposed</b>		
<p>During the 2007 financial year, Webster Limited decided to dispose of its Trucks &amp; Machinery and Bearings &amp; Engineering Supplies businesses, as well as the company's 50% investment in Kelp Industries Pty Ltd. The cash flows and balance sheet implications are detailed in note 10. This sale was realised in the 2008 financial year.</p>		
<b>(d) Non-Cash Financing and Investing Activities</b>		
<p>During the financial year, the consolidated entity acquired equipment via finance leases to the value of \$445,000 (2007: \$227,000).</p>		
<b>(e) Financing Facilities</b>		
<p>Secured finance facilities reviewed annually and payable at call</p>		
- Amount used	-	-
- Amount unused	6,000	6,000
	6,000	6,000
<p>Secured bank loan rolling facilities reviewed annually and payable at call</p>		
- Amount used	17,052	4,000
- Amount unused	2,000	8,000
	19,052	12,000
<b>(f) Cash Balances not Available for Use</b>		

There were no cash balances unavailable for use at balance date.

## Notes to the Financial Statements

For the financial year ended 30 June 2008

	<b>Consolidated</b>	
	<b>2008</b> (\$'000)	<b>2007</b> (\$'000)
<b>8 Notes to the cash flow statement (continued)</b>		
<b>(g) Reconciliation of profit for the period to net cash flows from operating activities</b>		
<b>Profit/(loss) for the period</b>	6,106	2,305
Depreciation and amortisation of non-current assets	961	1,597
Adjustments relating to self-generating and regenerating assets	(1,046)	-
Net (profit)/loss on sale of non-current assets	(17)	(67)
Net (profit)/loss on disposal of discontinued operations	(379)	-
Impairment loss on discontinued operation	-	2,943
Impairment of plant & equipment	-	130
Impairment of biological assets	-	370
Impairment of investments and subsidiaries	-	2,000
Interest income received or receivable	(336)	(476)
Debt instrument dividends paid	36	36
Share of associates' (profit)/loss and dividends	(5,174)	(5,147)
Other	(75)	3
Net goods and services tax refunded/(paid)	-	(726)
Changes in net assets and liabilities, net of effects from the disposal of businesses (excluding impairment loss of discontinued operation):		
- Decrease/(increase) in receivables	12,019	(4,640)
- Decrease/(increase) in inventories	(2,552)	2,500
- Increase/(decrease) in payables	(6,208)	5,981
- Increase/(decrease) in provisions	137	(101)
- Increase/(decrease) in tax balances	2,195	1,693
<b>Net cash flows from operating activities</b>	<b>5,667</b>	<b>8,401</b>

## Notes to the Financial Statements

For the financial year ended 30 June 2008

### 9 Segment Information

#### (a) Information on Business Segments

	Industry Services (discontinued operations)		Horticulture		Aquaculture		TOTAL	
	2008	2007	2008	2007	2008	2007	2008	2007
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Continuing Operations</b>								
<b>Revenues</b>								
External sales	-	-	37,798	45,900	-	-	37,798	45,900
Other revenue	-	-	2,051	3,002	-	-	2,051	3,002
Segment total	-	-	39,849	48,902	-	-	39,849	48,902
Unallocated/Consolidation Adj							610	(1,127)
<b>Total</b>							<b>40,459</b>	<b>47,775</b>
<b>Results</b>								
Segment result	-	-	5,116	4,614	5,638	5,629	10,754	10,243
Borrowing costs							(1,744)	(1,315)
Unallocated							(1,056)	(1,621)
Profit before tax							7,954	7,307
Income tax (expense)/benefit							(2,002)	(1,872)
<b>Profit/(loss) for the year from continuing operations</b>							<b>5,952</b>	<b>5,435</b>
<b>Discontinued operations</b>								
<b>Revenues</b>								
External sales	11,093	35,562	-	-	-	-	11,093	35,562
Internal sales	-	126	-	-	-	-	-	126
Other revenue	-	228	-	-	-	-	-	228
Segment total	11,093	35,916	-	-	-	-	11,093	35,916
<b>Total</b>							<b>11,093</b>	<b>35,916</b>
<b>Results</b>								
Segment result	379	(3,216)	-	-	-	-	379	(3,216)
Borrowing costs							-	(93)
Profit/(loss) before tax							379	(3,309)
Income tax (expense)/benefit							(225)	179
<b>Profit/(loss) for the year from discontinued operations</b>							<b>154</b>	<b>(3,130)</b>
<b>Profit for the year</b>							<b>6,106</b>	<b>2,305</b>
<b>Segment Assets &amp; Liabilities</b>								
<b>Assets</b>								
Segment assets	-	8,586	35,868	30,516	52,464	39,887	88,332	78,989
Unallocated							8,707	12,200
<b>Total</b>							<b>97,039</b>	<b>91,189</b>
<b>Liabilities</b>								
Segment liabilities	-	(5,205)	(14,762)	(11,666)	-	-	(14,762)	(16,871)
Unallocated							(25,604)	(21,572)
<b>Total</b>							<b>(40,366)</b>	<b>(38,443)</b>

## Notes to the Financial Statements

For the financial year ended 30 June 2008

### 9 Segment Information (continued)

Industry Services (discontinued operations)		Horticulture		Aquaculture	
2008	2007	2008	2007	2008	2007
(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)

#### Other Information

Acquisition of non-current assets	-	488	3,007	760	-	-
Depreciation and amortisation	-	495	716	596	-	-
Other non-cash expenses	-	-	-	500	-	-
Carrying value of investments accounted for using the equity method	-	-	-	2,219	52,464	39,887
Share of net profit/(loss) of associate and joint venture entities accounted for under equity method	-	-	(464)	(570)	5,638	5,629

#### 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	
	2008	2007	2008	2007	2008	2007
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Australia	13,818	57,053	97,039	91,189	3,007	1,248
Europe	20,930	20,307	-	-	-	-
Asia	3,050	4,102	-	-	-	-

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 onions into Northern Europe.
Asia	The Webster Group sells onions and carrots into Asia.

## Notes to the Financial Statements

For the financial year ended 30 June 2008

### 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 to be recorded in the 2008 financial year.

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

	<b>Consolidated</b>	
	<b>2008</b> (\$'000)	<b>2007</b> (\$'000)
<b>Profit from discontinued operations</b>		
Revenue (note 2)	11,093	35,688
Other income (note 2)	-	228
Share of net profits of associate accounted for using the equity method	40	88
	<u>11,133</u>	<u>36,004</u>
Expenses	(10,861)	(36,370)
Profit/(Loss) before income tax expense	272	(366)
Attributable income tax (expense)/benefit	-	179
	<u>272</u>	<u>(187)</u>
Gain/(loss) on disposal of operation	107	(2,943)
	<u>107</u>	<u>(2,943)</u>
Attributable income tax expense	(225)	-
	<u>(118)</u>	<u>(2,943)</u>
Gain/(loss) for the year from discontinued operations	<u>154</u>	<u>(3,130)</u>
<b>Cash flows from discontinued operations</b>		
Net cash flow from operating activities	-	704
Net cash flow from investing activities	-	(138)
Net cash flow from financing activities	-	(690)
Net cash flows	<u>-</u>	<u>(124)</u>

The major classes of assets and liabilities comprising the operations and investments classified as held for sale at balance date are as follows:

	<b>Consolidated</b>	
	<b>2008</b> (\$'000)	<b>2007</b> (\$'000)
Trade and other receivables	-	4,051
Inventories	-	5,748
Other assets	-	40
Investments accounted for using the equity method	-	204
Property, plant and equipment	-	1,924
Impairment loss	-	(2,831)
Total assets classified as held for sale	<u>-</u>	<u>9,136</u>
Trade and other payables	-	(2,935)
Borrowings	-	(1,457)
Provisions	-	(813)
Total liabilities associated with assets classified as held for sale	<u>-</u>	<u>(5,205)</u>
Net assets held for sale	<u>-</u>	<u>3,931</u>

### 11 Subsequent Events

#### Final dividend declared

On 28 August 2008, the Directors declared a final dividend of 4.5 cents per ordinary share in respect to the financial year ended 30 June 2008. The dividend will be franked to 1.94% at the 30% corporate income tax rate and will be paid on 31 October 2008. The record date for determining entitlement to this dividend is 9 October 2008. The Company's Dividend Reinvestment Plan will apply to the dividend, with a discount rate of 5% applicable. The final dividend has not been recognised in this preliminary final report because the final dividend was declared subsequent to 30 June 2008.

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 have been audited.
- (e) The entity has a formally constituted audit & risk committee.

A handwritten signature in blue ink, appearing to read 'D W Robinson', with a long horizontal flourish extending to the right.

**D W Robinson  
Chairman  
Webster Limited  
28 August 2008**