

WEBSTER LIMITED

Appendix 4D: Half-Year Report

Half-Year Ended 31 December 2012



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 2012 together with any public announcements made by Webster Limited and its controlled entities during the half-year ended 31 December 2012 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 2012 ("current period").
Previous corresponding period, half-year ended 31 December 2011.

Results for Announcement to the Market

						Current Period (\$'000)
Sales Revenue from Ordinary Activities	Up	156%	from	2,853	to	7,300
Loss from Ordinary Activities After Tax Attributable to Members	Up	515%	from	(67)	to	(412)
Net Loss After Tax Attributable to Members	Up	515%	from	(67)	to	(412)

Brief Explanation of Figures Reported Above

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*	(2012/13)	1.0	1.0
	Final	(2011/12)	1.5	1.5
Cumulative Preference Shares	Interim*	(2012/13)	4.5	4.5
	Final	(2011/12)	4.5	0.0
*The financial effect of the interim dividends will be recognised in the next reporting period as the dividends were declared subsequent to 31 December 2012.				
Record date for determining entitlements to the interim cumulative preference share dividend				15-Mar-13
Date of payment of interim cumulative preference share dividend				28-Mar-13
Record date for determining entitlements to the interim ordinary share dividend				05-Apr-13
Date of payment of interim ordinary share dividend				30-Apr-13
Dividends paid by Webster Limited during the current reporting period				
			Date	Amount (\$'000)
Cumulative Preference Dividends			28-Sep-12	18
Ordinary Dividends			31-Oct-12	1,609

Net Tangible Assets per Security

	Current Period (cents)	Previous Period (cents)
Net Tangible Assets per Security	69.32	80.22

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	0	0
Income tax on ordinary activities	0	0
Profit/(loss) after tax	0	0
Adjustments	0	0
Share of net profit/(loss) of associates and joint venture entities	0	0

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
			0	0
			0	0

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
27th February 2013

Directors' Report

The directors of Webster Limited (ACN 009 476 000) submit the following report in respect of the half-year ended 31 December 2012. 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 (resigned 14 January 2013)
L F Titmus, Executive Director
C D Corrigan, Non-executive Director (appointed 15 October 2012)
B D Cushing, Non-executive Director (appointed 31 October 2012)

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.

Review of Operations

Key Messages

The company recorded a loss after income tax of \$412 thousand for the half-year ended 31 December 2012. This compares with a loss of \$67 thousand for the corresponding previous half-year. The result is in line with expectations as the majority of Webster's earnings and cash flows are generated in the second half of the financial year. This seasonality is directly related to the growing cycle with sales occurring predominantly from February to June.

Seasonal conditions

Webster produces, packs, manages supply chain logistics and markets walnuts and onions. Growing conditions in the regions where the Group's food products are grown have been generally favourable up to the end of the half year. Rainfall events and water storages have been adequate allowing optimum irrigation applications. Preliminary indications show that onion yields will be slightly below budget. The walnut crop on the Riverina orchards would appear to be better than budgeted as at the end of December and the Swansea walnut orchard is expected to produce the budget yield. Due to the moderate climatic conditions throughout the growing seasons for both crops till the end of December 2012, quality also is expected to be average or better.

Market Conditions

Over 90% of the Company's horticultural production is exported into counter-seasonal markets in the northern hemisphere. The strong Australian dollar continues to pose challenging market conditions for both onions and walnuts, although there are some early signs of some relief against the Euro. Sales prices converted to AUD however, still reflect small margins, particularly with onions.

The main market for onions in Europe appears firmer than last year with less European crop area grown in 2012 and harsh weather conditions over the growing and harvest season leading to reduced overall local stock levels. In

Japan, the other major export onion market, quantitative easing measures have weakened the Yen creating challenges in price negotiations with Japanese customers.

The walnut market price is satisfactory, and the US dollar has strengthened slightly since the corresponding period last year. Exported walnuts are sold mainly in USD which provides a partial natural hedge for the Company's international freight costs and for walnut equipment being purchased by the company from California, both of which are incurred in USD.

Operational factors

Both walnuts and onions are seasonal in nature and, apart from the ongoing field operations through the winter and spring seasons, the first half of each financial year is utilised to prepare for the second half of the year. During the second half harvesting, processing and marketing are the principal focus. Further capital has been spent in the onion factory to again improve the efficiency of the operation and reduce the labour cost per tonne. The walnut orchards in the Riverina are still maturing and hence production is expected to increase again on last year. To cope with the extra production, a second hulling and drying facility is being constructed at the Leeton orchard property and also additional harvesting and storage equipment has been acquired.

The company has entered into a purchase contract (which is due to settle at the end of March 2013) to acquire another orchard property in the Riverina and plans to commence establishing a walnut orchard on this property in the winter of 2014. The orchard is expected to be developed over a 4 to 5 year period.

In addition the company has committed to build a walnut cracking facility and has placed an initial order for some of the equipment required for the facility to be ready for commissioning in the 2014 harvest season.

Outlook

Based on expected harvest and market conditions, the company anticipates an improved profit before tax for FY13. Accordingly directors have declared a fully franked interim Ordinary Share dividend of 1.0 cent per share and have declared a fully franked interim Preference Share dividend of 4.5 cents per share.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'R J Roberts', with a long horizontal flourish extending to the right.

R J Roberts
Chairman
27th February 2013

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

25 February 2013

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 2012, 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

Independent Auditor's Review Report to the members of Webster Ltd

We have reviewed the accompanying half-year financial report of Webster Ltd, which comprises the condensed statement of financial position as at 31 December 2012, 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 16.

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 2012 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 Ltd, 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.

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 Ltd, would be in the same terms if given to the directors as at the time of this auditor's review 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 Ltd is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2012 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*.

Debita Joule Johnson

DELOITTE TOUCHE TOHMATSU

R/W

Rod Whitehead
Partner
Chartered Accountants
Hobart, 27 February 2013

Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company 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

A handwritten signature in black ink, appearing to be 'R J Roberts', with a long horizontal flourish extending to the right.

R J Roberts
Chairman
27th February 2013

Webster Limited

Condensed consolidated statement of profit or loss & other comprehensive income for the half-year ended 31 December 2012

	Consolidated	
	Half-year ended 31-Dec-12 (\$'000)	Half-year ended 31-Dec-11 (\$'000)
Continuing Operations		
Sales Revenue	7,300	2,853
Cost of sales	(6,172)	(2,428)
Gross Profit	1,128	425
Management fees	4,376	3,824
Other income	1,815	2,016
Distribution expenses	(996)	(255)
Marketing expenses	(487)	(319)
Operational expenses	(4,836)	(4,237)
Administration expenses	(1,255)	(1,353)
Finance costs	(147)	(117)
Other expenses	(186)	(80)
Loss before income tax expense	(588)	(96)
Income tax benefit	176	29
Loss for the period	(412)	(67)
Other comprehensive income, net of tax		
<i>Items that may be reclassified subsequently to profit and loss</i>		
Loss on cash flow hedges taken to equity	(229)	(157)
Other comprehensive loss for the period (net of tax)	(229)	(157)
Total comprehensive income for the period	(641)	(224)
Loss attributable to:		
Owners of the parent	(412)	(67)
Non-controlling interests	-	-
Total comprehensive income attributable to:		
Owners of the parent	(641)	(224)
Non-controlling interests	-	-
Earnings per share		
Basic (cents per share)	(0.36)	(0.09)
Diluted (cents per share)	(0.36)	(0.09)

Notes to the condensed financial statements are included on pages 14 to 16

Webster Limited

Condensed consolidated statement of financial position

as at 31 December 2012

	Consolidated	
	31-Dec-12 (\$'000)	30-Jun-12 (\$'000)
Current Assets		
Cash and cash equivalents	16,384	987
Trade and other receivables	9,922	23,763
Other financial assets	121	447
Inventories	7,349	8,030
Other assets	187	173
Total current assets	33,963	33,400
Non-Current Assets		
Trade receivables	2,208	-
Property, plant and equipment	38,723	36,458
Biological assets	23,215	23,115
Investment property	776	829
Deferred tax asset	1,651	1,377
Intangibles	4,822	4,884
Total non-current assets	71,395	66,663
Total assets	105,358	100,063
Current Liabilities		
Trade and other payables	3,875	9,696
Borrowings	364	308
Current tax liability	378	1,130
Provisions	556	2,076
Total current liabilities	5,173	13,210
Non-Current Liabilities		
Borrowings	748	5,518
Deferred tax liability	1,569	1,569
Provisions	70	34
Total non-current liabilities	2,387	7,121
Total liabilities	7,560	20,331
Net assets	97,798	79,732
Equity		
Issued capital	73,430	53,114
Reserves	904	1,133
Retained earnings	23,464	25,485
Total equity	97,798	79,732

Notes to the condensed financial statements are included on pages 14 to 16

Webster Limited

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2012

	Share capital (\$'000)	Properties revaluation reserve (\$'000)	Cash flow hedging reserve (\$'000)	Retained earnings (\$'000)	Attributable to the owners of the parent (\$'000)	Total (\$'000)
Balance at 1 July 2011	42,580	819	453	22,887	66,739	66,739
Issue of shares	10,373	-	-	-	10,373	10,373
Payment of dividends	-	-	-	(933)	(933)	(933)
Profit or loss for the year	-	-	-	(67)	(67)	(67)
Other comprehensive income for the period, net of tax	-	-	(157)	-	(157)	(157)
Total comprehensive income for the period	10,373	-	(157)	(1,000)	9,216	9,216
Balance at 31 December 2011	52,953	819	296	21,887	75,955	75,955
Balance at 1 July 2012	53,114	819	314	25,485	79,732	79,732
Issue of shares	20,316	-	-	-	20,316	20,316
Payment of dividends	-	-	-	(1,609)	(1,609)	(1,609)
Profit or loss for the year	-	-	-	(412)	(412)	(412)
Other comprehensive income for the period, net of tax	-	-	(229)	-	(229)	(229)
Total comprehensive income for the period	20,316	-	(229)	(2,021)	18,066	18,066
Balance at 31 December 2012	73,430	819	85	23,464	97,798	97,798

Notes to the condensed financial statements are included on pages 14 to 16

Webster Limited

Condensed consolidated statement of cash flows

for the half-year ended 31 December 2012

	Consolidated	
	31-Dec-12	31-Dec-11
	(\$'000)	(\$'000)
Cash Flows from Operating Activities		
Receipts from customers	25,128	22,445
Payments to suppliers and employees	(19,959)	(21,774)
Interest and other costs of finance paid	(98)	(97)
Net cash provided by/(used in) operating activities	5,071	574
Cash Flows from Investing Activities		
Interest received	32	202
Payments for property, plant and equipment	(3,799)	(3,016)
Proceeds from sale of property, plant and equipment	101	48
Net cash provided by/(used in) investing activities	(3,666)	(2,766)
Cash Flows from Financing Activities		
Proceeds from the issue of equity securities	20,316	10,373
Proceeds from borrowings from others	-	85
Repayment of borrowings from others	(4,500)	(4,500)
Principal repayments under finance lease	(215)	(206)
Dividends paid	(1,609)	(951)
Net cash provided by/(used in) financing activities	13,992	4,801
Net increase/(decrease) in cash held	15,397	2,609
Cash at beginning of the half year	987	1,326
Cash at end on the half year	16,384	3,935

Notes to the condensed financial statements are included on pages 14 to 16

Notes to the condensed consolidated financial statements

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 2012 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 2012 annual financial report for the financial year ended 30 June 2012, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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. New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'.

The adoption of these new and revised Standards has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. However, the application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Seasonal operations

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

2. Contingent Assets and Liabilities

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

	2012 (\$'000)	2011 (\$'000)
Contingent Liabilities		
Land purchase contract	2,277	-

The company has entered into a contract for the purchase of land for the establishment of a new orchard in NSW. A deposit has been paid and settlement is due at the end of March 2013.

3. 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.

4. Dividends

	<u>2012</u>		<u>2011</u>	
	Cents per share	Total (\$'000)	Cents per share	Total (\$'000)
Recognised Amounts				
<u>Ordinary Share</u>				
Final dividend 2011/12	1.5	1,609	1.0	933
<u>Cumulative Preference Share</u>				
Final dividend 2011/12 (recognised as an expense)	4.5	18	4.5	18
		<u>1,627</u>		<u>951</u>
Unrecognised Amounts				
<u>Ordinary Share</u>				
Interim dividend 2012/13	1.0	1,341	0.5	467
<u>Cumulative Preference Share</u>				
Interim dividend 2012/13 (to be recognised as an expense post 31 December)	4.5	18	4.5	18
		<u>1,359</u>		<u>485</u>

5. Subsequent Events

On 26 February 2013, the Directors declared an interim fully franked dividend of \$1,341 thousand (1.0 cent per share) with respect to the half year ended 31 December 2012. The record date for determining entitlement to this dividend is 5 April 2013, with a payment date of 30 April 2013. The company's Dividend Reinvestment Policy (DRP) will not apply to this dividend. Directors also declared a fully franked dividend of \$18 thousand (4.5 cent per share) on cumulative preference shares with respect to the half-year ended 31 December 2012. The record date for determining entitlement to this dividend is 15 March 2013, with a payment date of 28 March 2013.

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.

6. Segment Information

After the sale of its substantial holding in aquaculture company Tassal Group Limited, which was completed during the 2011 financial year, the company has moved to a single reportable segment for continuing operations as the companies remaining products have similar characteristics and are similar in the nature of the production process, the methods of distribution and the class of customer supplied.

7. Issuance of Securities

During the half-year reporting period, Webster Limited issued 40,821,048 shares (2011: 28,709,158) via a placement and a 1 for 4 Rights Issue. Webster Limited issued nil ordinary shares (2011: nil) under the company's dividend reinvestment plan.

8. Borrowings

During the half-year reporting period, the Group repaid \$4,715 thousand against its banking and finance facilities.

9. Key Management Personnel

Remuneration arrangements for key management personnel are disclosed in the annual financial report.