



Date: 17 August 2018

ASX/Media Announcement

## **Webster enters into Agreement to divest Bengering Limited and its owned properties and water rights**

- **Enters Agreement to divest 100% of Bengering Limited – a wholly-owned subsidiary of Webster to an entity in the AFF JV group (a joint venture between Public Sector Pension Investment Board (PSP Investments) and a Robinson family holding company).**
- **Total consideration payable to Webster of approximately \$132.7 million and subject to a working capital adjustment.**
- **Completion subject to Webster shareholder approval and various other conditions precedent.**
- **To assist shareholders in this decision, an Independent Expert Report will be prepared and circulated with the notice of meeting.**
- **If approved, this divestment will result in Webster having a greater concentration of its activities in the Riverina and will allow for a greater focus on its horticultural operations.**
- **Webster's re-constructed balance sheet will provide the capacity for further growth and development.**
- **PSP Investments to acquire approximately 19.15% interest in Webster from an entity in the AFF JV group as well as certain shareholders in the Robinson family holding company and their associates.**
- **PSP Investments to nominate a director to the Webster board and provide an undertaking regarding future increases in voting power and shareholding in Webster.**

Webster Limited, one of Australia's leading agribusinesses, today announced it has entered into a share purchase agreement (**Agreement**) to divest its wholly-owned subsidiary Bengering Limited (**Bengering**), incorporating the agricultural and water assets in northern NSW to an entity in the AFF JV group (**Buyer**). The total consideration payable to Webster under the Agreement is approximately \$132.7 million with and subject to a working capital arrangement whereby Webster effectively retains the rights to the proceeds of the 2018 cotton crop recently harvested.

The AFF JV group is a joint venture between PSP Investments and the Robinson family holding company.

Bengering Limited holds land and water entitlements, including the aggregation at Garah, NSW, north-west of Moree; and the Darling Farms aggregation at Bourke, together with associated water entitlements. The properties held by Bengering comprise 9,593 hectares of developed irrigation land. Bengering Limited was acquired by Webster in 2015 at an implied equity value of \$124 million.

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The divestment will enable Webster to focus on its core horticultural, agricultural and grazing operations in the Riverina district, western NSW, South Australia and Tasmania. Proceeds from the divestment will be used to further strengthen Webster's existing operations and provide additional funding capacity to invest in growth and development activities in its core operations.

Completion is subject to approval by Webster shareholders for the purposes of ASX Listing Rule 10.1 at a General Meeting expected to be held in October 2018. The notice of meeting will include a report from an independent expert as to whether the transaction is fair and reasonable to Webster shareholders not associated with the Buyer. The approval of the Foreign Investment Review Board for the sale has been obtained.

The Directors of Webster (other than Mr Joe Robinson who is associated with the Buyer) intend to recommend that shareholders vote in favour of the transaction. As Mr Robinson is associated with the Buyer, he does not consider it appropriate to make a recommendation in relation to the transaction.

Webster expects to send a Notice of Meeting and Explanatory Memorandum, including the independent experts' report, to shareholders in September 2018.

### **Benefits to Webster shareholders**

Webster Chairman, Chris Corrigan, said the divestment of Bengerang represented a positive outcome for Webster shareholders.

"This transaction will result in Webster having a more geographically concentrated portfolio of cropping operations at Darlington Point (Kooba) and Hay. Webster's irrigated cropping area will reduce from 24,500 hectares to 15,000 hectares. Further development work at both Kooba and Hay is expected to increase Webster's irrigated cropping area back to 20,000 hectares in the 2019 year.

"The proceeds will provide additional funding capacity for our continued investment in activities across our key core operations in horticulture, agriculture and water.

"We believe, on balance, this Agreement is of benefit to Webster shareholders and continues our strategy to build a platform for growth to deliver sustainable returns to shareholders over the medium to longer term."

### **Webster Share Transaction**

An entity in the AFF JV group and certain shareholders in the Robinson family holding company and their associates (together, the **AFF/Robinsons Parties**) presently hold shares representing 19.15% of the issued capital of Webster. In a transaction related to the Bengerang transaction, PSP Investments will acquire 69,014,683 Webster shares from the AFF/Robinsons Parties (**Webster Share Transaction**). As a result of the Webster Share Transaction, PSP Investments' voting power in Webster will increase to 19.15% and the AFF/Robinson Parties will cease to be a substantial shareholder of Webster. PSP Investments will become the largest shareholder in Webster as a result of the Webster Share Transaction.

In recognition of this proposed change in shareholding, the Webster board proposes to invite a nominee of PSP Investments to join the board. Further information regarding the proposed new director will be included in the notice of meeting to approve the transaction. Mr Joe Robinson will resign as a director of Webster with effect from completion of the Webster Share Transaction and the Bengerang sale.

The Bengerang sale and the Webster Share Transaction are inter-conditional.

### **PSP Investments undertaking**

Given the significance of PSP Investments' substantial holding in Webster, the board of Webster has sought an undertaking from PSP Investments regarding any potential for an increase in PSP Investments' voting power in Webster. Subject to completion of the Bengerang sale, the Webster Share Transaction, and appointment of the PSP Investments nominee to the board, PSP Investments will not, and will ensure that its associates do not, undertake certain transactions which would result in its voting power in Webster increasing beyond its voting power as at completion (being 19.15%). This commitment is subject to a number of exceptions including an



increase in voting power as a result of a takeover offer or participation in a rights issue, placement, shareholder share purchase plan or dividend reinvestment plan.

A copy of the undertaking to be provided by PSP Investments will be included in the notice of meeting to shareholders to approve the Bengarang sale.

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