

CHAIRMAN ADDRESS

WEBSTER LIMITED AGM, 11 NOVEMBER 2014

Welcome Ladies and Gentlemen. Shortly I will ask CEO, John Hosken, to address you, to provide an update on the 2014 financial year.

From the Board's perspective, whilst there are significant performance improvements to come, Webster has completed a satisfactory year. Profit before tax grew to \$11.9 million, the fifth consecutive year of earnings growth. This led directors to declare dividends for year of 3.5 cent per share, an increase on the prior year.

The year in review continued a path of focus on the delivery on the espoused walnut growth strategy. Webster has demonstrated an ability to compete successfully in both overseas and domestic markets, leading to the previously announced decisions to invest in expanding the walnut orchard estate and to building a value-add factory.

The first year of a three year program in developing the new 900 hectare Avondale orchard was completed 8 km from the existing Webster orchard at Tabbita (near Griffith). As well, as the CEO will detail, the new walnut cracking, packaging and logistics facility at Leeton was commissioned ahead of the 2014 season.

Your directors and the management group view the success to date, in developing the NSW Riverina walnut operations over the last 7 years, as proof of concept. With existing planned expansion and as trees mature, there will continue to be measured growth.

Some months ago the company was approached by a potential buyer of Webster's onion operation. This has resulted in an exchange of contracts of sale. As released to the ASX yesterday evening, Webster has agreed to sell the assets to North East Equity trading as Sumich, for \$10.15 million plus stock, with final settlement to occur at financial year end on 30 June 2015.

The company will continue to be managed on a conservative basis but with a view to growth. As the walnut operations grow in scale and profitability directors review various potential growth alternatives. These include both organic and stepped growth. Directors will keep shareholders informed if anything develops in this regard.

Webster is closely focussed on its competitive position. Cost management, excellence in agronomy, automation of process, management of foreign exchange positions, forward contracting of many sales and generally being market led, are all key to the company's success and all are elements of focus for both directors and management.

I would especially like to pay tribute to Simon Stone who has decided to retire from the board. Simon has been a board member for 8 years and has made a significant contribution to the

company's strategic agenda. In recent years he led the risk management process as chairman of the audit committee. We wish him well in retirement.

Webster has an excellent management group, ably led by CEO John Hosken. Staff are high performing and well regarded by both industry peers and directors. On behalf of directors and shareholders I acknowledge their good work in achieving the result gained in the year under review.

In prior years, in terms of shareholder returns, profits have been preponderantly earned in the June half. This will continue although shareholders may anticipate some smoothing over time. Dividends will continue to be biased towards the final, rather than the interim dividend.

Directors are confident that existing operations are competitively placed and that assets acquired post balance date will similarly provide a platform for improving shareholder returns.

Rod Roberts
Chairman