WEBSTER LIMITED

Appendix 4D: Half-Year Report

Half-Year Ended 31 December 2014

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 2014 together with any public announcements made by Webster Limited and its controlled entities during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the Australian Securities Exchange Listing Rules.

Appendix 4D: Half-Year Report

Contents

	Page
Summary Information	2-3
Directors' Report	4-6
Auditor's Independence Declaration	7
Independent Auditor's Review Report	8-9
Directors' Declaration	10
Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income	11
Condensed Consolidated Statement of Financial Position	12
Condensed Consolidated Statement of Changes in Equity	13
Condensed Consolidated Statement of Cash Flows	14
Condensed Notes to the Financial Statements	15-20

Appendix 4D
Half Year Report

WEBSTER LIMITED
ACN 009 476 000

Reporting Period

Half-year ended 31 December 2014 ("current period").
Previous corresponding period, half-year ended 31 December 2013

Results for Announcement to the Market

				Current Period ($'000)
Sales Revenue from Ordinary Activities	Up	19%	to	13,213
Loss from Ordinary Activities After Tax Attributable to Members	Up	235%	to	(4,797)
Net Loss After Tax Attributable to Members	Up	235%	to	(4,797)

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*	(2014/15)	0.0	0.0
	Final	(2013/14)	2.0	2.0
Cumulative Preference Shares	Interim*	(2014/15)	4.5	4.5
	Final	(2013/14)	4.5	4.5

*The financial effect of the interim dividends will be recognised in the next reporting period as the dividends were declared subsequent to 31 December 2014.

Record date for determining entitlements to the interim cumulative preference share dividend	13-Mar-15
Date of payment of interim cumulative preference share dividend	31-Mar-15

Dividends paid by Webster Limited during the current reporting period

	Date	Amount ($'000)
Cumulative Preference Dividends	30-Sep-14	18
Ordinary Dividends	31-Oct-14	2,683

Net Tangible Assets per Security

	Current Period (cents)	Previous Period (cents)
Net Tangible Assets per Security	31.99	68.94
Net Tangible Assets (including water rights) per Security	74.57	70.44

Gain or Loss of Control Over Entities

Name of entity over which control was gained	Kooba Ag
Date control was gained	17-Dec-14
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**

	Percentage ownership interest held at end of period or date of disposal		Contribution to net profit (loss) $'000	
Name of Entity	**Current Reporting Period**	**Previous Reporting Period**	**Current Reporting Period**	**Previous Reporting Period**
			0	0
			0	**0**

Directors' Report

The directors of Webster Limited (ACN 009 476 000) submit the following report in respect of the half-year ended 31 December 2014. 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
C D Corrigan, Non-executive Director
B D Cushing, Non-executive Director
C D Langdon, Non-executive Director
D W Robinson, Non-executive Director (appointed 17 December 2014)
S J Stone, Non-executive Director (retired 11 November 2014)

Independence Declaration by Auditor

The auditor's independence declaration is included on page 7 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

The Company recorded a loss after income tax of $4.8 million for the half-year ended 31 December 2014. This compares with a loss of $1.43 million for the corresponding previous half-year. The result was impacted by the once off acquisition costs associated with the purchase of the land and water assets known as the Kooba aggregation (Kooba). 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.

Walnuts – Our fresh, counter seasonal positioning to Northern Hemisphere production continues to underpin our demand and meet our expectations, even with large 2014 Northern Hemisphere crops being produced in California and China. California yielded a record crop of 570,000 metric tonnes, in-shell basis however inventory levels were low as they carried in little of their 2013 crop. As a result of the large crop, pricing has declined from the historical high levels of the previous season.

Walnuts are sold globally in US Dollars and the movement in the AUD / USD exchange rate is anticipated this year to provide some earnings gains to Webster's 100% owned operating business, Walnuts Australia. International freight however is purchased in USD and it is noted that there is some natural hedge in the business due to freight.

The walnut processing and value add facility is now entering its second year of operation. Higher levels of walnuts were successfully processed in its first year of operation giving Walnuts Australia increased market flexibility to pursue markets both domestically and internationally, as well as to offer walnuts in-shell and kernel basis.

The first of three years planting of our newest walnut orchard Avondale West occurred during the 2014 winter. Juvenile trees were sourced from our own nursery operations. This property is planned to be fully planted over a three year period with approximately 400 hectares being planned to establish in winter 2015.

Spring growing conditions delivered high temperatures that negatively impacted the pollination period on the later harvested varieties. Yields are expected to increase over last year, but may not reach internal budgeted levels on some varieties.

Onions – During the half Webster announced the Sale of Field Fresh Tasmania for $10.15 million, slightly above book value. Webster will exit the onion business on the 30th of June and until then, has full responsibility of the business performance and 2015 season results.

A good season has assisted in delivering ideal planting and growing conditions through winter and into spring, with the crop presently expected to meet quality expectations. Onion lifting in December and then harvest in January commenced on schedule and early indications from harvested crops are of a good quality crop.

Global market conditions and pricing are subdued. There is an excess of onions in our traditional main market, Europe from a large growing season there. The situation is also being negatively compounded by the Russian import ban with European onion growers being unable to move their crop as quickly as usual resulting in later than normal demand and subdued pricing for the Southern Hemisphere crop. Sales into the Australian domestic market are set to increase this season as a percentage of total sales however Field fresh Tasmania will still be a major exporter. Onion exports are predominately to Europe and Japan and sold in the destination countries' currency.

Water and Annual Row Cropping - Webster expanded and positioned for further growth during the half year announcing the Kooba acquisition. The acquisition cost was $116 million, plus crop and inventory and completed in December 2014. The acquisition was funded by a combination of debt and the placement of shares to Australian Food and Fibre and is expected to be earnings per share accretive in its first full year of operation.

The acquired assets comprise two large properties of approximately 40,000 hectares on the Murrumbidgee River at Darlington Point in NSW, namely Kooba Station and Bringagee & Benerembah Station. These properties are considered to be among the very best irrigable farms on the Murrumbidgee, with substantial laser levelled cropping ground and significant water entitlements. The two Darlington Point properties sit approximately midway between the company's major walnut orchards in Tabbita and Leeton, each 30 to 40 minutes away. Also acquired, as part of the purchase of the Kooba aggregation, is Booberoi Station, on the Lachlan, near Euabalong.

In acquiring the AgReserves Australia Limited assets and as well as water rights, Webster acquires a possible land bank for significant further walnut growth, post its Avondale West development. Significantly the acquisition brings a large and multi-crop annual cropping operation, which directors believe will be complementary to its existing permanent walnut growing operations.

The introduction of annual cropping is an important element in the chosen strategy. In times of strong water supply the company will fully exploit annual cropping potential. In the event of lower water allocations, the focus will be on the walnut tree crop. It is the intention of the company to further develop the Murrumbidgee properties and to grow the size of both the annual cropping and the walnuts operations.

To better recognise its seasonality of earnings, where sales and profit are heavily skewed to the second half, the company has resolved to only pay dividends at the full year rather than at the half and full year. As such no dividend for ordinary shares has been declared for the half year ended December 2014. Directors have declared a 4.5 cent per share fully franked dividend on preference shares.

Subsequent Event

On 27 February 2015, the Company announced it had agreed to acquire the prominent cotton operation Bengerang Limited through the issue of 107 million shares at $1.15 per share. Further it also announced that it had entered into a merger implementation agreement with Tandou Limited under which the Company has agreed to make a takeover bid for all ordinary shares in Tandou under which it will offer 1 Webster share for 2.25 Tandou shares. For further information on these transactions please refer to the ASX announcement dated 27 February 2015.

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

On behalf of the Directors

R J Roberts
Chairman
27th February 2015

Deloitte.

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

27 February 2015

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 2014, 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
DELOITTE TOUCHE TOHMATSU

Carl Harris
Partner
Chartered Accountants

Deloitte.

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

We have reviewed the accompanying half-year financial report of Webster Ltd, which comprises the condensed consolidated statement of financial position as at 31 December 2014, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated 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 10 to 20.

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 gives a true and fair view and 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 2014 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.

Deloitte.

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 consolidated entity's financial position as at 31 December 2014 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.*

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carl Harris
Partner
Chartered Accountants
Hobart, 27 February 2015

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

R J Roberts
Chairman
27th February 2015

Webster Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half year ended 31 December 2014

	2014 ($'000)	2013 ($'000)
Continuing Operations		
Revenue	13,213	11,120
Cost of sales	(12,014)	(10,555)
Gross profit	1,199	565
Other income	4,584	6,402
Acquisition costs	(2,981)	-
Distribution expenses	(885)	(923)
Marketing expenses	(259)	(457)
Operational expenses	(5,615)	(5,882)
Administration expenses	(1,597)	(1,517)
Finance costs	(434)	(28)
Other expenses	(108)	(204)
Loss before income tax expense	(6,097)	(2,044)
Income tax benefit	1,829	613
Loss for the period from continuing operations	(4,268)	(1,431)
Discontinued operation		
Loss for the period from discontinued operations	(529)	-
Loss for the period	(4,797)	(1,431)
Other comprehensive income, net of income tax		
Items that may be reclassified subsequently to profit and loss		
(Loss)/gain on cash flow hedges taken to equity	(608)	229
Other comprehensive (loss)/gain for the period (net of tax)	(608)	229
Total comprehensive loss for the period	(5,405)	(1,202)
Loss attributable to:		
Owners of the parent	(4,797)	(1,431)
Non-controlling interests	-	-
Total comprehensive loss attributable to:		
Owners of the parent	(5,405)	(1,202)
Non-controlling interests	-	-
Loss per share		
Basic (cents per share)	(3.54)	(1.07)
Diluted (cents per share)	(3.44)	(1.05)

Notes to the condensed financial statements are included on pages 15 to 20.

Webster Limited
Condensed consolidated statement of financial position
As at 31 December 2014

	Note	31-Dec-14 ($'000)	30-Jun-14 ($'000)
Current Assets			
Cash and cash equivalents		2,229	2,242
Trade and other receivables		6,784	22,102
Other financial assets		-	309
Inventories		23,985	18,271
Current tax assets		812	-
Biological assets		786	464
Other assets		880	547
Assets held for sale		9,511	-
Total current assets		**44,986**	**43,935**
Non-Current Assets			
Trade and other receivables		3,167	2,947
Property, plant and equipment		96,001	50,783
Biological assets		33,302	31,635
Investment property		817	819
Deferred tax assets		3,480	2,586
Intangibles - water rights		66,194	2,848
Intangibles - other		2,504	2,566
Total non-current assets		**205,464**	**94,184**
Total assets		**250,451**	**138,119**
Current Liabilities			
Trade and other payables		7,367	10,259
Borrowings	12	55,656	9,111
Current tax liability		-	1,612
Other financial liabilities		300	-
Provisions		780	1,393
Total current liabilities		**64,104**	**22,375**
Non-Current Liabilities			
Borrowings		60,994	489
Deferred tax liabilities		6,756	6,756
Provisions		162	56
Total non-current liabilities		**67,912**	**7,301**
Total liabilities		**132,015**	**29,676**
Net assets		**118,436**	**108,443**
Equity			
Issued capital		91,433	73,458
Reserves		(141)	361
Retained earnings		27,144	34,624
Total equity		**118,436**	**108,443**

Notes to the condensed financial statements are included on pages 15 to 20.

Webster Limited
Condensed consolidated statement of changes in equity
For the half year ended 31 December 2014

	Share capital ($'000)	Properties revaluation reserve ($'000)	Cash flow hedging reserve ($'000)	Equity settled employee benefits reserve ($'000)	Retained earnings ($'000)	Attributable to the owners of the parent ($'000)	Total ($'000)
Balance at 1 July 2013	**73,458**	**-**	**(807)**	**-**	**30,320**	**102,971**	**102,971**
Profit or loss for the year	-	-	-	-	(1,431)	(1,431)	(1,431)
Other comprehensive income for the year, net of tax	-	-	229	-	-	229	229
Total comprehensive income for the year	-	-	229	-	(1,431)	(1,202)	(1,202)
Payment of dividends	-	-	-	-	(2,013)	(2,013)	(2,013)
Recognition of share based payments	-	-	-	72	-	72	72
Balance at 31 December 2013	**73,458**	**-**	**(578)**	**72**	**26,876**	**99,828**	**99,828**
Balance at 1 July 2014	**73,458**	**-**	**216**	**145**	**34,624**	**108,443**	**108,443**
Profit or loss for the year	-	-	-	-	(4,797)	(4,797)	(4,797)
Other comprehensive income for the year, net of tax	-	-	(608)	-	-	(608)	(608)
Total comprehensive income for the year	-	-	(608)	-	(4,797)	(5,405)	(5,405)
Payment of dividends	-	-	-	-	(2,683)	(2,683)	(2,683)
Equity issued under placement	17,975					17,975	17,975
Recognition of share based payments	-	-	-	106	-	106	106
Balance at 31 December 2014	**91,433**	**-**	**(392)**	**251**	**27,144**	**118,436**	**118,436**

Notes to the condensed financial statements are included on pages 15 to 20.

Webster Limited
Condensed consolidated statement of cash flows
For the half year ended 31 December 2014

	2014 ($'000)	2013 ($'000)
Cash Flows from Operating Activities		
Receipts from customers	35,218	22,655
Payments to suppliers and employees	(35,818)	(21,120)
Interest and other costs of finance paid	(241)	(28)
Net cash (used in)/provided by operating activities	(841)	1,507
Cash Flows from Investing Activities		
Interest received	42	187
Payment for biological assets, property, plant and equipment	(121,556)	(9,033)
Proceeds from sale of property, plant and equipment	17	2,537
Net cash used in investing activities	(121,497)	(6,309)
Cash Flows from Financing Activities		
Proceeds from the issue of equity securities	17,975	-
Repayment of borrowings from others	(10,000)	-
Proceeds from borrowing from others	117,100	-
Principal repayments under finance lease	(50)	(258)
Dividends paid	(2,700)	(2,031)
Net cash provided by/(used in) financing activities	122,325	(2,289)
Net decrease in cash and cash equivalents	(13)	(7,091)
Cash and cash equivalents at the beginning of the half year	2,242	15,269
Cash and cash equivalents at the end of the half year	**2,229**	**8,178**

Notes to the condensed financial statements are included on pages 15 to 20.

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 2014 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 2014 annual financial report for the financial year ended 30 June 2014, 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 Company 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 half-year.

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

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
    - Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
    - Part C: 'Materiality'
- Interpretation 21 'Levies'

Impact of the application of AASB 1031 'Materiality' (2013)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Company's condensed consolidated financial statements.

Impact of the application of AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The Company has applied the amendments to AASB 132 for the first time in the current year. The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Company does not have any assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Company's condensed consolidated financial statements.

Impact of the application of AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The Company has applied the amendments to AASB 136 for the first time in the current year. The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.

The application of these amendments does not have any material impact on the disclosures in the Company's condensed consolidated financial statements.

Impact of the application of AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, at the same time it makes various editorial corrections to Australian Accounting Standards as well. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Company's condensed consolidated financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'

Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycle'

The Annual Improvements 2010-2012 Cycle include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 2(i) change the definitions of 'vesting condition' and 'market condition', and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Part C: 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031, which historically has been referenced in each Australian Accounting Standard.

The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Company's condensed consolidated financial statements.

Impact of the application of Interpretation 21 'Levies'

The Company has applied Interpretation 21 'Levies' for the first time in the current year. Interpretation 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

Interpretation 21 has been applied retrospectively. The application of this Interpretation does not have any material impact on the disclosures or on the amounts recognised in the Company's condensed consolidated financial statements.

Seasonal operations

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

2. 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.

3. Dividends

	2014		2013	
	Cents per share	**Total** ($'000)	**Cents per share**	**Total** ($'000)
Recognised Amounts				
<u>Ordinary Share</u>				
Final dividend 2013/14	2.0	2,683		
Final dividend 2012/13			1.5	2,013
<u>Cumulative Preference Share</u>				
Final dividend (recognised as an expense)	4.5	18	4.5	18
		2,701		2,031
Unrecognised Amounts				
<u>Ordinary Share</u>				
Interim dividend 2014/15	-	-		
Interim dividend 2013/14			1.5	2,013
<u>Cumulative Preference Share</u>				
Interim dividend (to be recognised as an expense post 31 December)	4.5	18	4.5	18
		18		2,031

4. Subsequent Events

On 23 February 2015, the Company's bankers extended the expiry date of one of the Company's corporate finance facilities to 28 February 2016.

On 27 February 2015, the Company announced it had agreed to acquire the prominent cotton operation Bengerang Limited through the issue of 107 million shares at $1.15 per share. Further it also announced that it had entered into a merger implementation agreement with Tandou Limited under which the Company has agreed to make a takeover bid for all ordinary shares in Tandou under which it will offer 1 Webster share for 2.25 Tandou shares. For further information on these transactions please refer to the ASX announcement dated 27 February 2015.

On 27 February 2015, the Directors declared an interim fully franked dividend of $18 thousand (4.5 cent per share) on cumulative preference shares with respect to the half-year ended 31 December 2014. The record date for determining entitlement to this dividend is 13 March 2015, with a payment date of 31 March 2015. No ordinary dividend was declared.

The directors are not aware of any matters or circumstances, other than those which have been described above, that have arisen since the end of the half year which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

5. Segment Information

In the past the Company has reported a single segment for continuing operations as the company's products have similar characteristics and are similar in the nature of the production process, the methods of distribution and the class of customer supplied. As a result of the acquisition of the Kooba aggregation and the sale of the onion business, it is anticipated that the Company will move to segment reporting for 2014-15 annual financial reporting. The Kooba acquisition occurred close to the half year end and did not contribute operating income of expenditure with the exception of acquisition costs.

6. Issuance of Securities

During the half-year reporting period, Webster Limited issued 17,475,728 shares (2013: 3,860,000 issued under an employee long term incentive plan) via a placement. Webster Limited issued nil ordinary shares (2013: nil) under the Company's dividend reinvestment plan.

7. Borrowings

During the half-year reporting period, the Company borrowed a net $107.05 million against its banking and finance facilities.

8. Key Management Personnel

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

9. Other Income

Other income includes management fees, rental revenue, interest revenue, commission revenue and grant funds.

10. Acquisition of Business Combination

On 17 December 2014 the Company acquired the assets of AgReserves Australia Limited (Kooba Aggregation). These assets included land, water and infrastructure assets as well as growing crop in ground.

Consideration transferred

	($'000)
Cash	123,269

Acquisition costs of $2.98 million have been excluded from the consideration transferred and have been recognised as an expense in profit and loss.

Assets acquired and liabilities assumed at date of acquisition

	($'000)
Current Assets	
Inventories	11,615
Other assets	127
Non-current Assets	
Property, plant & equipment	51,675
Intangibles – water rights	60,541
Current Liabilities	
Trade and other payables	(293)
Provisions	(307)
Non-current Liabilities	
Provisions	(89)
	123,269

The initial accounting for the acquisition of the Kooba Aggregation has only been provisionally determined at the end of the half year. Due to receipt of valuation reports in close proximity to the finalisation of the half year, the process of analysing the reports is yet to be finalised.

Impact of acquisition on the results of the Company

Due to the timing of the acquisition, no revenue or expenditure, other than above mentioned acquisition costs, has been recorded in the results of the Company for the half year.

11. Discontinued Operations

On 10 November 2014 the Company announced the sale of its onion operation which is due to complete on 30 June 2015. Due to the sale the onion results have been classified as discontinued operations in the statement of profit and loss and other comprehensive income and the property, plant and equipment assets associated with the onion operations have been classified as assets held for sale in the statement of financial position.

12. Working Capital

At 31 December 2014 the Company has a net working capital deficiency of $19.1m due to the classification of one of its bank facility as current given its expiry date of 31 December 2015. Subsequent to the half year end the Bank has extended this facility to 28 February 2016.

As a result of the above the directors are of the opinion that the basis upon which the financial statements are prepared is appropriate, and the consolidated entity will be able to realise its assets and settle its liabilities in the ordinary course of business.