

Washington H. Soul Pattinson and Company Limited

ABN 49 000 002 728

First Floor, 160 Pitt Street Mall, Sydney NSW 2000



ASX Appendix 4D & Half year financial report 31 January 2011

Lodged with the ASX under Listing Rule 4.2A

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Reporting Period

The reporting period is the half year ended 31 January 2011.

The previous corresponding period is the half year ended 31 January 2010.

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Results for Announcement to the Market

		Current period 31 January 2011 \$'000	Previous period 31 January 2010 \$'000	Change \$'000
Revenue from operations	Down 5.2% to	384,099	405,036	(20,937)
Profit before non-regular items from ordinary activities after tax attributable to members	Down 10.3% to	87,102	97,069	(9,967)
Profit after tax and non-regular items attributable to members	Up 130.9% to	284,911	123,412	161,499

Dividends

	Cents per share	Franking %
This period		
1. Interim dividend	15c	100%
Previous corresponding period		
1. Interim dividend	14c	100%
Record date for determining entitlements to interim dividend:		21 April 2011
Date the interim dividend is payable:		12 May 2011

Comments on above results

- ** The increase in profit after tax and non-regular items attributable to members was principally due to the Group's gain on the sale of its investment in Arrow Energy Limited.**
- ** Interim dividend increased by 7.1% to 15 cents per share fully franked.**
- ** Refer Review of Operations for further details on the results.**

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Earnings per share

	2011	2010
From operations		
Basic Earnings per Share	119.39 cents	51.71 cents
Diluted Earnings per Share	119.39 cents	51.71 cents
From profit before non-regular items after tax	36.50 cents	40.68 cents

Net tangible assets per security

	Jan 2011	July 2010
Net tangible asset backing per ordinary security	\$11.64	\$11.44

Explanation of Profit after tax

For a further explanation of the half year's operating results, please refer to the Review of Operations.

Explanation of Net Profit

For a further explanation of the half year's operating results, please refer to the Review of Operations.

Review of Operations

As attached.

Washington H. Soul Pattinson and Company Limited

A.B.N. 49 000 002 728

Directors' Report

Half Year Ended 31 January 2011

The Directors of Washington H. Soul Pattinson and Company Limited present their report and the financial report of the consolidated group for the half year ended 31 January 2011.

DIRECTORS

The Directors of the Company in office at any time during or since the end of the half year are:

Robert Dobson Millner F.A.I.C.D.

Chairman (Non-Executive Director since 1984, appointed Chairman 1998)

Michael John Millner M.A.I.C.D.

Deputy Chairman (Non-Executive Director since 1997, appointed Deputy Chairman 1998)

Peter Raymond Robinson B.Com.(UNSW), F.A.I.C.D.

Executive Director, appointed 1984

David John Fairfull B.Com., A.C.I.S., C.P.A., F Fin, M.A.I.C.D.

Non-executive Director, appointed 1997

Thomas Charles Dobson Millner B.Des (Industrial), GDipAppFin (Finsia), F Fin.

Non-Executive, appointed 1 January 2011

Robert Gordon Westphal B.Com.(UNSW), F.C.A., F Fin, M.A.I.C.D.

Non-executive Director, appointed 2006

David Edward Wills B.Com.(UNSW), F.C.A., M.A.I.C.D.

Non-executive Director, appointed 2006

CONSOLIDATED FINANCIAL PERFORMANCE

The Profit of the Group attributable to Shareholders, **after tax and before non-regular items**, for the half year ended 31 January 2011, was **\$87.1 million**, a decrease of 10.3% from the \$97.1 million for the previous corresponding period. This decrease was mainly attributable to a reduced contribution from New Hope Corporation Limited as a result of the stronger Australian dollar, increased transportation costs and wet weather.

The Profit of the Group, **after tax and non-regular items**, was **\$284.9 million**, an increase of 130.9% over the \$123.4 million for the previous corresponding period. The net profit on non-regular items of \$197.8 million was principally attributable to the Group's gain on the sale of Arrow Energy Limited shares by New Hope Corporation Limited.

Comparisons with the corresponding period last year are as follows:-

	2011	2010	%
	\$000	\$000	Change
Revenue from continuing operations	384,099	405,036	- 5.2%
Profit after tax before non-regular items	87,102	97,069	- 10.3%
Profit after tax and non-regular items	284,911	123,412	+ 130.9%
Total earnings per share	119.4c	51.7c	+ 130.9%
Regular earnings per share	36.5c	40.7c	-10.3%
Interim Dividend	15c	14c	+ 7.1%

INTERIM DIVIDEND

Directors have declared an interim dividend of 15 cents per share in respect of the half year ended 31 January 2011, an increase of 7.1% over last year's interim dividend of 14 cents per share. The dividend will be fully franked and payable on 12 May 2011.

The Directors consider the profit before non-regular items to be the underlying profit of the Group. Accordingly, interim and final dividends are recommended and declared based on that profit.

REVIEW OF OPERATIONS

HOLDING COMPANY

The market value of the listed equities held, including controlled entities and associates, was \$4.13 billion at 31 January 2011, compared to \$4.07 billion as at 31 July 2010.

Excluding controlled entities and associates, the market value of listed equities held increased by 13.3%, to \$530 million from \$468 million as at 31 July 2010. Under the Group's accounting policies movements in the market values of these assets are taken up in other comprehensive income or reflected within the profit for the period as impairments.

During the half year Choiseul Investments Limited (Choiseul) merged with Milton Corporation Limited (Milton) resulting in a disposal of the Company's Choiseul shares for consideration of \$42.2 million and the acquisition of Milton shares for the same amount. The non-regular gain on the disposal of the Choiseul shares was \$23.9 million after tax.

Other acquisitions during the period consisted of the reinvestment of dividends from associate TPG Telecom Limited totalling \$4.1 million and \$36.8 million invested in equities other than controlled entities and associates. The main acquisitions were Exco Resources Limited, Industrea Limited, Snowball Group Limited and Lindsay Australia Limited.

Proceeds from disposals excluding Choiseul totalled \$9.0 million. These included Transurban Group, Intoll Group and Australian Agricultural Company Limited.

Dividend and distribution income from listed equities held, excluding those from controlled and associated entities, was \$14.8 million, up 58.5% compared to the same period last year. Special dividends were \$1.8 million (2010: nil).

Interest income for the half year totalled \$11.1 million, an increase of 91.6% compared to \$5.8 million for the same period last year.

CONTROLLED ENTITIES

New Hope Corporation Limited (New Hope) – 59.7% held*

New Hope has reported a net profit after tax and non-regular items of \$407.4 million which included a non-recurring gain from the sale of its shares in Arrow Energy Limited of \$326.3 million. The net profit after tax and before non-regular items was \$81.1 million, a 27% decrease from the \$111.6 million for the corresponding period last year.

Compared to the first half last year the result was impacted by:

- A higher AUD:USD exchange rate, resulting in lower export prices in AUD terms;
- Increased costs of transportation;
- Lower interest income from treasury operations following the payment of special dividends and corporate tax; and
- The impact of wet weather on production costs during December and January.

Which were partially offset by:

- Higher selling prices in USD terms; and
- Higher export sales volumes.

The Directors of New Hope have declared an interim dividend of 5.25 cents per share fully franked, up from 5 cents per share last year. The dividend is payable on 4 May 2011 to shareholders registered on 15 April 2011.

Mining Operations

Total clean coal production from New Hope's operations in the half year ended 31 January 2011 was 2.77 million tonnes. This was 2% lower than for the corresponding period last year. Production was negatively impacted by heavy rain in late 2010 and particularly in January 2011.

Total sales for the half year were 3.04 million tonnes. Despite the flooding and loss of the Western Rail Line in mid January 2011, this was 8% above that achieved for the same period in 2010. Export sales were 23% up at 2.74 million tonnes while domestic sales were 48% down at 0.30 million tonnes. This is as a result of a planned decrease in off take from CS Energy.

While the heavy rainfall in December 2010 and January 2011 had only limited impact on mine operations, the Western Rail Line between the New Acland Mine and Ipswich was severely damaged by flooding in mid January 2011. QR National called Force Majeure in late January and raiing from New Acland has been curtailed for an approximate 2½ month period. Railing is expected to resume in late March.

* Percentage of the issued capital of the company held by the Group as at 31 January 2011.

In response to the above situation, New Hope has rescheduled mining operations. This will result in increased production from the West Moreton operations (from where railing is possible). Truck haulage levels from New Acland have been increased. Shipping has been rescheduled as appropriate with Force Majeure called on some customers.

The New Acland mine produced 2.25 million tonnes of clean coal in the first half ended 31 January 2011. This was a 1% increase on production compared with the same period last year. Despite the temporary loss of the Western Rail Line the mine has continued to produce at full capacity, with resultant increases in coal stocks.

The West Moreton operations, comprising Jeebropilly and New Oakleigh, produced 0.52 million tonnes of clean coal in the first half ended 31 January 2011. This was a decrease of 13% compared to the same period last year. Of this, Jeebropilly produced 0.40 million tonnes and New Oakleigh 0.12 million tonnes.

Port Operations

New Hope's 100% owned port facility, Queensland Bulk Handling (QBH), continued to ship coal at high levels. Exported coal was 3.46 million tonnes for the half year, up 6% compared to last year. QBH continues to operate essentially demurrage free.

Key activities included:

- Completion of the port expansion, under budget, in December 2010. This has increased the stockpile capacity from 377,000 tonnes to 909,000 tonnes;
- Completion of engineering upgrades to coal handling equipment; and
- Commencement of design and engineering for installation of a new sampler, upgrade of the ship loader and of electrical distribution systems.

QBH's operations have been impacted by reduced railings due to the temporary closure of the Western Rail Line. This will remain the situation until the rail line reopens.

Exploration

New Hope's exploration strategy includes the evaluation of both open cut and underground coking coal resources in Central Queensland and open cut thermal coal in South East Queensland.

High rainfall and flooding in some exploration areas has severely impacted exploration programs during the half year. A total of 13,784 metres of drilling was completed during the period.

Coal to Synfuels

During the period New Hope made significant progress on 2 separate technologies.

An initial 25% investment was made in Quantex Energy, a Canadian based company with interests in the research and development of direct liquefaction technologies. Subject to further technological and commercial viability, New Hope has the option to increase its investment in Quantex up to 51% at agreed prices. The detailed design for a proof of concept unit is currently underway, with the unit likely to be built in Texas, USA.

* Percentage of the issued capital of the company held by the Group as at 31 January 2011.

In Australia, all necessary approvals have been received to construct a proof of concept indirect liquefaction plant at the Jeebropilly mine with commissioning expected in mid 2012.

Arrow Energy Limited

During 2010, a company jointly owned by Royal Dutch Shell and PetroChina issued a proposal to acquire all shares in Arrow Energy Limited (Arrow) for \$4.70 cash per share, plus a share in a new entity, Dart Energy Limited.

In July 2010 Arrow shareholders approved the demerger and acquisition schemes. The sale of New Hope's 16.7% interest in Arrow settled on 23 August 2010, with New Hope receiving \$576 million from the sale. New Hope recognised an after tax profit of \$326.3 million on the sale during the half year.

Northern Energy Limited

Late in 2010 New Hope made an off market takeover offer for Northern Energy Limited (NEC), a company with various thermal and coking coal development projects in Queensland and New South Wales.

Subsequent to the end of the half year New Hope increased its offer to \$1.85 per NEC share, which resulted in the Directors of NEC recommending that shareholders accept New Hope's offer in the absence of a superior proposal. At the close of the offer on 9 March 2011, New Hope held approximately 80.8% of the equity in NEC.

Outlook

New Hope has advised that its result for the second half of 2011 will be negatively impacted by the unavailability of the Western Rail Line and the resultant flow on effect to export sales revenues from the New Acland mine.

New Hope cannot yet determine the financial impacts of the rail outage with a sufficient degree of accuracy due to the ongoing uncertainty regarding the following key variables:

- When the Western Rail Line will become operational;
- Ramp up capacity of QR National following recovery of the Western Rail Line;
- Confirmation of customer shipment schedules, especially following the recent earthquake damage and disruption to the Japanese markets; and
- Export contract pricing.

New Hope is working closely with QR National to maximise railings once the line is re-opened and to minimise the impact on the 2011 full year result.

As a result of WHSP's 59.7% holding in the issued capital of the company, New Hope contributed a net profit of \$243.6 million to the Group (2010: \$67.4 million).

Pitt Capital Partners Limited (PCP) – 78.3% held*

PCP is a corporate advisory firm specialising in mergers and acquisitions, strategic advice, equity capital markets, private equity, restructuring and debt advisory work.

* Percentage of the issued capital of the company held by the Group as at 31 January 2011.

As a result of WHSP's 78.3% interest in the issued capital of the company, PCP contributed a net profit of \$0.1 million to the Group (2010: \$0.1 million loss).

ASSOCIATED ENTITIES

Australian Pharmaceutical Industries Limited (API) – 24.6% held*

API released its full year result on 28 October 2010. For the year ended 31 August 2010, revenue increased 4.6% to \$3.7 billion and net profit after tax by 23.6% to \$22.6 million.

Sales in Pharmacy Distribution grew by 4.7% compared to the same period last year. Since the end of API's financial year Pfizer Australia has announced its new direct delivery model and has ceased distribution of their prescription medicines through the traditional wholesaler system. In addition, further Pharmaceutical Benefit Scheme (PBS) reforms announced as part of the 2010 Federal Budget have seen a continuation of price reductions for PBS medicines. The impact of Pfizer's decision and PBS reform is significant, however API has stated that 'initiatives are in place to offset or mitigate any major impact on the business'.

Priceline, API's mass market health and beauty retailing division, posted retail sales growth of 4.7% and comparable store sales growth of 1.4% despite the difficult retail environment. Priceline have over 330 Priceline stores across Australia and has announced plans to accelerate growth over the next two years.

In January 2011, API was forced to close its Queensland Distribution Centre as flood water inundated the property. Recovery plans were activated, however, given the automation in the facility it may take up to six months to source, install and test replacement equipment. Although limited service has begun from the facility the overall effect of the Queensland floods has added further complexity to API's business.

API declared a fully franked final dividend of 1.5 cents per share which was paid on 15 December 2010.

As a result of WHSP's 24.6% holding in the issued capital of the company, API contributed a net operating profit of \$3.0 million to the Group (2010: \$2.9 million). Further, the Group's carrying value of API was impaired by \$23.6 million to align it with the market value of the investment as at 31 January 2011.

Brickworks Limited (Brickworks) – 44.5% held*

Brickworks' net profit after tax and before non-regular items for the half year ended 31 January 2011 was \$61.0 million, an increase of 7.0% from \$57.0 million for the previous corresponding period. Brickworks' net profit after tax and non-regular items for the half year was up 32.8% to \$117.1 million. These results include the equity accounted profit contributions from WHSP.

Revenue from the Building Products business for the half year was \$303.5 million, up 15.4% from \$263.0 million for the previous corresponding period while earnings before interest and tax (EBIT) increased by 2.8% to \$22.4 million. The Building Products business was tracking well and the first quarter trading update reported earnings up over 15% compared to the

* Percentage of the issued capital of the company held by the Group as at 31 January 2011.

prior period. However, extraordinary weather events in the second quarter severely affected sales and profits on the east coast. The weaker market conditions in Western Australia and Queensland also contributed to a softer result in the second quarter.

The Land and Development Division's result was a significant improvement on the previous corresponding period due to sales of surplus land.

Normalised earnings per share were 41.5 cents per share, up 2.0% from 40.7 cents per share for the same period last year.

The Directors of Brickworks have declared an increased fully franked interim dividend of 13.5 cents per share for the half year ended 31 January 2011, up 3.8% from 13 cents per share for the previous corresponding period.

Building Products

Austral Bricks[™] brick sales volumes were up 5.5% in the six months to 31 January 2011 compared to the six months ended 31 January 2010, while net average selling prices increased by 1.9%.

Austral Masonry[™] has the greatest exposure to Queensland of any of the Building Products businesses and was adversely impacted by the extraordinary weather, particularly in the second quarter. However, sales volumes were up over 20% for the period. Average selling prices were able to be increased by 2.6% compared to the prior period, assisted by the introduction of a greater product range.

Bristile Roofing[™] achieved another increase in earnings as sales volumes on the east coast were steady despite the adverse trading conditions. The average selling price improved by 3.0%.

Austral Precast[™] provided a positive contribution to earnings in the first half. The integration and turnaround plan is already beginning to deliver results and it is anticipated that profitability will continue to improve.

Auswest Timbers[™] delivered another improved result, primarily due to increased margins as the growth in average selling prices was double the increase in unit manufacturing costs.

Land and Development

The Land and Development Division recorded an EBIT of \$20.6 million for the half year ended 31 January 2011, an increase of 67.5% from \$12.3 million for the prior corresponding period.

Property sales contributed an EBIT of \$14.9 million for the six months to 31 January 2011 and comprised the sale of two lots on the M7 Business Hub Estate. There are only 4 hectares of undeveloped land remaining in the estate from a total of 150 hectares.

Earnings from the JV Property Trusts resulted in an EBIT of \$5.5 million for the half, up 37.5% from \$4.0 million in the previous corresponding period.

* Percentage of the issued capital of the company held by the Group as at 31 January 2011.

Significant Items since Balance Sheet Date

On 18 February 2011 Brickworks purchased East Coast Masonry, a Coffs Harbour based manufacturer of concrete masonry products, for \$2.5 million. The acquisition further expands the geographic footprint of Austral Masonry in New South Wales, complementing the existing businesses on the east coast.

Brickworks' sites in North Queensland sustained only minor damage from Cyclone Yasi. All sites were operational again within a few days and no employees in the region were harmed. Equally, the earthquake in Christchurch, New Zealand on 22 February 2011 did not harm any employees and caused only minor damage to Brickworks' premises.

As a result of WHSP's 44.5% holding in the issued capital of the company, Brickworks contributed a \$8.7 million regular profit to the Group (2010: \$7.8 million). In addition, WHSP's share of the non-regular expenses was \$1.0 million (2010: \$3.1 million). These contributions exclude the WHSP profit taken up by Brickworks under the equity accounting method.

Clover Corporation Limited (Clover) – 28.6% held*

Clover reported a net profit after tax of \$2.0 million, an increase of 2.2% compared with the same period last year.

Sales for the half year to 31 December 2010 decreased to \$14.0 million (2009: \$16.4 million) due mainly to a significant volume of sales (\$2.0 million) being deferred, at customers' requests, from December 2010 to January 2011. Whilst the sales were below the corresponding period last year they represented an increase of 54.4% on those of the half year ended 31 December 2008. The fluctuations in the growth of sales reflect the multi-year development and evaluation processes associated with infant formula applications. Sales in China continued to grow and reflect Clover's focus on developing its market position in Asia.

Expenditure on research and development increased by 20.8% in support of the expanding innovation pipeline. The research and development program has resulted in 3 new microencapsulated products that are currently under evaluation by customers. A further 3 products, demonstrating a number of new technologies, are on schedule for release in the third quarter of FY 2011.

Future Food Ingredients Pty. Limited ceased operation in October 2010 and activities have been initiated to sell the Moree based business.

Clover has stated that it is expecting a stronger sales performance in the second half of FY 2011.

As a result of WHSP's 28.6% holding in the issued capital of the company, Clover contributed a net profit of \$0.6 million to the Group (2010: \$0.5 million).

* Percentage of the issued capital of the company held by the Group as at 31 January 2011.

Ruralco Holdings Limited (Ruralco) – 23.5% held*

For the year ended 30 September 2010 Ruralco reported total revenue of \$902.7 million, an increase of 7.9% over the prior year. Net profit after tax, attributable to shareholders, was \$12.1 million, an increase of 42.6%.

A final dividend of 8 cents per share fully franked was paid in January 2011 bringing total dividends for the year to 16 cents per share fully franked, an increase of 33.3% over the prior year.

As a result of WHSP's 23.5% holding in the issued capital of the company, Ruralco contributed a net profit of \$1.0 million to the Group (2010: \$0.5 million).

TPG Telecom Limited (TPG) – 26.7% held*

For the half year ended 31 January 2011 TPG reported earnings before interest, tax, depreciation and amortisation (EBITDA) of \$113.0 million and net profit after tax of \$33.8 million, representing increases of 46.5% and 23.1% respectively compared to the first half last year.

These results include the first full half year contribution from PIPE Networks (PIPE) which achieved an EBITDA of \$26.4 million. Excluding PIPE's contribution the Group's continuing business generated organic EBITDA growth of 26% relative to the same period last year.

During the half year, broadband subscribers increased by 27,000 and On-Net broadband and home phone bundle customers increased from 9,000 to 52,000.

TPG has continued to improve margins across all of its continuing business divisions whilst maintaining its established position as price and value leader in a highly competitive market place. This has been achieved by increasing leverage of its infrastructure to deliver services to customers, as well as through its ongoing commitment to disciplined cost control.

A working capital adjustment and an abnormally high final tax instalment for FY 2010 restricted TPG's debt reduction to \$30 million in the half, however underlying cash flow remains very strong. The combination of earnings growth and debt repayments has reduced TPG's debt to EBITDA leverage ratio to approximately 1.4 times as at 31 January 2011.

Following its strong cash flows and earnings growth, TPG declared a fully franked interim dividend of 2.25 cents per share, payable on 24 May 2011, up from 2 cents per share last year.

TPG has upgraded its 2011 financial year EBITDA guidance from between \$215 million and \$225 million to between \$225 million and \$230 million.

As a result of WHSP's 26.7% holding in the issued capital of the company, TPG contributed a net profit of \$9.2 million to the Group (2010: \$7.9 million).

* Percentage of the issued capital of the company held by the Group as at 31 January 2011.

AUDITORS' INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 January 2011, as required under section 307C of the *Corporations Act 2001*, is set out on page 14.

ROUNDING OF AMOUNTS

The amounts contained in the accompanying financial report have been rounded off to the nearest one thousand dollars under the option available to the Group under Class Order 98/100.

Dated this 24th day of March 2011

Signed in accordance with a resolution of the Board of Directors:



R.D. Millner
Director



P.R. Robinson
Director

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**Auditor's Independence Declaration
to the Directors of Washington H. Soul Pattinson and Company Limited
and its Controlled Entities**

As lead auditor for the review of Washington H. Soul Pattinson and Company Limited and its Controlled Entities for the half year ended 31 January 2011, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Washington H. Soul Pattinson and Company Limited and its Controlled Entities during the period.



Moore Stephens Sydney
Chartered Accountants



Martin J. (Joe) Shannon
Partner

Dated in Sydney this 24th day of March 2011.

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Consolidated Income Statement
For the half year ended 31 January 2011

	Notes	2011 \$'000	2010 \$'000
Revenue from operations	3(i)	384,099	405,036
Other income	3(i)	499,708	53,422
Cost of sales		(172,972)	(178,496)
Selling and distribution expenses		(66,179)	(53,193)
Administration expenses		(15,070)	(16,413)
Occupancy expenses		(230)	(443)
Other expenses		(1,534)	(1,329)
Impairment of assets	3(i) & 6	(23,617)	(3,014)
Finance costs		(1,313)	(650)
Share of results from equity accounted associates	6	25,921	19,719
Profit before income tax		628,813	224,639
Income tax (expense)		(182,090)	(55,954)
Profit after tax for the half year		446,723	168,685
Profit after tax attributable to non-controlling interest		(161,812)	(45,273)
Profit after tax for the half year attributable to members of Washington H. Soul Pattinson and Company Limited		284,911	123,412

Non statutory information

Profit before non-regular items from ordinary activities after tax attributable to members		87,102	97,069
Profit from non-regular items after income tax attributable to members	3(ii)	197,809	26,343
Profit after tax and non-regular items for the period attributable to members		284,911	123,412

The Directors consider that the disclosure of the impact of non-regular items included in profits, enhances the understanding of the results to members. Further details are provided in note 3(ii).

	2011 Cents	2010 Cents
Earnings per share		
Basic and diluted earnings per share to ordinary equity holders of the company		
Earnings per share from operations	119.39	51.71
	No. of shares	
Weighted average number of shares used in calculating basic and diluted earnings per share	238,640,580	238,640,580

The above consolidated income statement should be read in conjunction with the accompanying notes.

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Consolidated Statement of Comprehensive Income
For the half year ended 31 January 2011

	Notes	2011	2010
		\$'000	\$'000
Profit after tax for the half year		446,723	168,685
Other comprehensive income			
Movement to profit and loss on the disposal of long term equity investments, net of tax		(349,461)	-
Revaluation to fair value of long term equity investments, net of tax		41,505	1,971
Net movement in hedge reserve, net of tax		8,649	5,248
Net movement in treasury reserve, net of tax		-	906
Net movement in foreign currency translation reserve, net of tax		(28)	1,124
Net movement in equity reserve, net of tax		260	864
Total other comprehensive income for the half year, net of tax		(299,075)	10,113
Total comprehensive income for the half year		147,648	178,798
Total comprehensive income attributable to non-controlling interest		(41,176)	(37,418)
Total comprehensive income attributable to members of Washington H. Soul Pattinson and Company Limited		106,472	141,380

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Consolidated Statement of Financial Position
As at 31 January 2011

	31 Jan 2011 \$'000	31 July 2010 \$'000
Current assets		
Cash and cash equivalents	103,291	109,821
Term deposits	2,137,082	1,655,365
Trade and other receivables	44,154	59,305
Inventories	46,362	53,087
Investments fair valued through profit and loss	46,352	49,011
Derivative financial instruments	27,148	15,673
Current tax asset	187	1,689
Current assets classified as held for sale	-	576,211
Other assets	118	346
Total current assets	2,404,694	2,520,508
Non-current assets		
Trade and other receivables	5,627	4,919
Equity accounted associates and joint ventures	662,093	685,739
Long term equity investments	658,661	547,707
Other financial assets	5,000	5,000
Derivative financial instruments	12,557	11,675
Property, plant and equipment	545,741	458,706
Exploration and evaluation assets	3,030	3,030
Deferred tax assets	43,363	43,437
Intangible assets	9,749	6,991
Total non-current assets	1,945,821	1,767,204
Total assets	4,350,515	4,287,712
Current liabilities		
Trade and other payables	44,387	64,113
Interest bearing liabilities	52,339	41,193
Current tax liabilities	151,361	24,154
Provisions	22,079	19,941
Total current liabilities	270,166	149,401
Non-current liabilities		
Deferred tax liabilities	187,132	298,592
Provisions	19,623	20,079
Total non-current liabilities	206,755	318,671
Total liabilities	476,921	468,072
Net assets	3,873,594	3,819,640
Equity		
Share capital	32,900	32,900
Reserves	631,351	810,243
Retained profits	2,159,364	1,937,108
Parent entity interest	2,823,615	2,780,251
Non-controlling interest	1,049,979	1,039,389
Total equity	3,873,594	3,819,640

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Consolidated Statement of Changes in Equity
For the half year ended 31 January 2011

Consolidated entity	Share capital \$'000	Retained profits \$'000	Reserves \$'000	Total members equity \$'000	Non-controlling interest \$'000	Total \$'000
Total equity at the beginning of the half year – 1 August 2010	32,900	1,937,108	810,243	2,780,251	1,039,389	3,819,640
Net profit for the half year after tax	-	284,911	-	284,911	161,812	446,723
Other comprehensive income for the half year						
Net movement in asset revaluation reserve, net of tax	-	-	(183,839)	(183,839)	(124,117)	(307,956)
Net movement in hedge reserve	-	-	5,166	5,166	3,483	8,649
Net movement in foreign currency translation reserve	-	-	(26)	(26)	(2)	(28)
Net movement in equity reserve	-	-	260	260	-	260
Total comprehensive income for the half year	-	284,911	(178,439)	106,472	41,176	147,648
Transactions with owners						
Dividends declared and paid	-	(62,755)	-	(62,755)	(62,340)	(125,095)
Contributions of equity, net of transaction costs	-	-	-	-	7,274	7,274
Net movement in share based payments reserve	-	-	(453)	(453)	(801)	(1,254)
Equity transfer from members on issue of share capital in controlled entities	-	100	-	100	(100)	-
Entry to the Group by controlled entity	-	-	-	-	25,381	25,381
Total equity at the end of the half year - 31 January 2011	32,900	2,159,364	631,351	2,823,615	1,049,979	3,873,594
Total equity at the beginning of the half year – 1 August 2009	32,900	1,841,068	768,942	2,642,910	1,184,353	3,827,263
Net profit for the half year after tax	-	123,412	-	123,412	45,273	168,685
Other comprehensive income for the half year						
Net movement in asset revaluation reserve, net of tax	-	-	11,927	11,927	(9,956)	1,971
Net movement in hedge reserve	-	-	3,155	3,155	2,093	5,248
Net movement in treasury reserve	-	-	906	906	-	906
Net movement in foreign currency translation reserve	-	-	1,116	1,116	8	1,124
Net movement in equity reserve	-	(164)	1,028	864	-	864
Total comprehensive income for the half year	-	123,248	18,132	141,380	37,418	178,798
Transactions with owners						
Dividends declared and paid	-	(84,941)	-	(84,941)	(256,215)	(341,156)
Contributions of equity, net of transaction costs	-	-	-	-	15,417	15,417
Net movement in share based payments reserve	-	-	(1,810)	(1,810)	(1,186)	(2,996)
Equity transfer from members on issue of share capital in controlled entities	-	(10,712)	-	(10,712)	10,712	-
Exit from Group by controlled entity	-	-	-	-	(100)	(100)
Total equity at the end of the half year - 31 January 2010	32,900	1,868,663	785,264	2,686,827	990,399	3,677,226

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Consolidated Statement of Cash Flows
For the half year ended 31 January 2011

	Consolidated	
	2011	2010
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers inclusive of GST	348,421	329,658
Payments to suppliers and employees inclusive of GST	(277,241)	(253,211)
	71,180	76,447
Dividends received	37,876	30,836
Interest received	54,592	182,288
Finance costs	(147)	(86)
Income taxes paid	(46,772)	(771,684)
Net cash inflow/(outflow)from operating activities	116,729	(482,199)
Cash flows from investing activities		
Payment for property, plant and equipment and intangibles	(43,552)	(56,092)
Proceeds from sale of property, plant and equipment	116	141
Payments for capitalised exploration and evaluation activities	-	(285)
Net (payments for)/proceeds from term deposits	(473,711)	803,000
Payments for investments	(56,628)	(83,140)
Proceeds from sale of investments	590,256	17,311
Cash acquired (net of payments for controlled entity)	742	-
Payments to acquire Associates	(1,000)	-
Cash outflow from loss of control of a subsidiary	-	(2,070)
Loans advanced	(12,253)	(3,204)
Loans repaid	2	1,330
Net cash inflow from investing activities	3,972	676,991
Cash flows from financing activities		
Proceeds from issues of equity	5,260	11,976
Dividends paid	(139,899)	(361,217)
Proceeds from interest bearing liabilities	10,068	5,871
Net cash (outflow) from financing activities	(124,571)	(343,370)
Net (decrease) in cash and cash equivalents	(3,870)	(148,578)
Cash and cash equivalents at the beginning of the half year	109,821	228,530
Restatement of 'cash equivalents' at July 2009	-	23,500
Effects of exchange rate changes on cash and cash equivalents	(2,660)	(432)
Cash and cash equivalents	103,291	103,020

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Statement of significant accounting policies

(a) Basis of preparation

The financial report for the half year ended 31 January 2011 is a general purpose financial report and has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 July 2010 and any public announcements made by Washington H. Soul Pattinson and Company Limited and its controlled entities ("Consolidated Entity" or "Group") during the interim reporting period in accordance with continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and the corresponding half year reporting period.

(b) Estimates

The preparation of the half year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The actual results may differ from these estimates.

In preparing this half year financial report, the significant judgements made by management and the key sources of estimation were the same as those that applied to the consolidated financial report as at and for the year ended 31 July 2010.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the financial results for the half year ended 31 January 2011 include the assessment of the recoverable amounts for non-current assets, including investments in associates and long term equity investments (refer to note 3(i)).

Notes to the Consolidated Financial Statements

2. Segment Information

a) Business segments

The Group is organised into the following divisions by product and service type:

Investing activities

The Group engages in investments, including cash, term deposits, and equity investments.

Coal Mining

The Group engages in coal mining activities which includes exploration, development, production, processing, associated transport infrastructure and ancillary activities. Coal mining operations are managed as a single integrated coal chain including transportation and infrastructure.

Consulting

The Group is involved in the provision of consulting services.

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Notes to the Consolidated Financial Statements

2. Segment Information (continued)

Business segments	Investing activities	Coal Mining	Consulting	Intersegment eliminations/ unallocated	Consolidated
Half year ended 31 January 2011	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	92,689	283,640	443	7,327	384,099
Intersegment revenue	94,943	-	1,247	(96,190)	-
Total revenue	187,632	283,640	1,690	(88,863)	384,099
Share of results from equity accounted associates	25,990	-	(58)	(11)	25,921
Other income					
- gain on sale of Arrow Energy Limited	466,261	-	-	-	466,261
- gain on sale of long term equity investments	30,023	-	-	-	30,023
- gain on acquisition of controlled entity	4,150	-	-	-	4,150
- losses on investments fair valued through profit or loss	(736)	-	-	-	(736)
- other	10	-	-	-	10
Total other income	499,708	-	-	-	499,708
Total segment revenue/income	713,330	283,640	1,632	(88,874)	909,728
Segment results	667,266	55,733	196	(94,382)	628,813
Income tax (expense)					(182,090)
Net profit for the half year					446,723
Impairment (expenses) / write back included in segment results					
- (Impairment) of equity accounted associate	(23,617)	-	-	-	(23,617)
Total impairment (expense)	(23,617)	-	-	-	(23,617)
Segment assets					
As at 31 January 2011	3,757,906	565,473	10,085	17,051	4,350,515
As at 31 July 2010	3,735,137	570,631	14,433	(32,489)	4,287,712

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Notes to the Consolidated Financial Statements

2. Segment Information (continued)

Business segments	Investing activities	Coal mining	Consulting	Intersegment eliminations/ unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Half year ended 31 January 2010					
Revenue from external customers	95,605	301,125	2,668	5,638	405,036
Intersegment revenue	386,777	-	1,135	(387,912)	-
Total revenue	482,382	301,125	3,803	(382,274)	405,036
Share of results from equity accounted associates	19,667	-	(31)	83	19,719
Other income					
- net gain on deemed disposals of associates	48,495	-	-	-	48,495
- loss on loss of control of controlled entities	(904)	-	(128)	9	(1,023)
- gains on investments fair valued through profit or loss	6,266	-	-	-	6,266
- other	(382)	66	-	-	(316)
Total other income	53,475	66	(128)	9	53,422
Total segment revenue/income	555,524	301,191	3,644	(382,182)	478,177
Segment results	533,351	78,160	130	(387,002)	224,639
Income tax (expense)					(55,954)
Net profit for the half year					168,685
Impairment (expenses) / write back included in segment results					
- (Impairment) of listed equity investments	(3,215)	-	-	-	(3,215)
- (Impairment) / reversal of other assets	201	-	-	-	201
Total impairment (expense)	(3,014)	-	-	-	(3,014)
Segment assets					
As at 31 January 2010	3,490,916	566,131	19,723	3,264	4,080,034
As at 31 July 2009	4,442,098	508,343	29,894	(35,675)	4,944,660

The reduction in total segment assets for the 6 month period ending 31 January 2010 of \$864,626,000 is predominantly due to the payment of income tax of \$723,266,000 on the gain on sale of New Saraji and dividends paid to non-Group entities totalling \$361,217,000.

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Notes to the Consolidated Financial Statements

3. Profit for the half year

(i) Profit before income tax expense

Profit from continuing operations for the half year includes the following items that are significant because of their size, nature or incidence:

	2011	2010
	\$'000	\$'000
(a) Revenue		
Sales revenue	304,649	318,301
Dividend revenue	15,777	10,256
Interest revenue	63,558	73,239
Other	115	3,240
	384,099	405,036
	2011	2010
	\$'000	\$'000
(b) Other income		
Gain on sale of Arrow Energy Limited	466,261	-
Gain on deemed disposal of equity accounted associates	-	48,495
(Losses)/gains on investments fair valued through profit or loss	(736)	6,266
Gain/(loss) on acquisition of controlled entity	4,150	(1,023)
Gains/(Losses) on sale of long term equity investments	30,023	(227)
Other	10	(89)
	499,708	53,422
	2011	2010
	\$'000	\$'000
(c) Expenses		
Impairment of equity accounted associates (1)	(23,617)	-
Impairment of long term equity investments (2)	-	(3,215)
Impairment (expense)/reversal of other assets	-	201
	(23,617)	(3,014)

(1) The recoverable amount of investments in equity accounted associates has been assessed as at 31 January 2011. Where the carrying values of the investments exceeded the recoverable amounts, the investment has been impaired. At each reporting date, an assessment will be made as to whether there are any circumstances that would indicate that the impairment recognised has decreased or no longer exists. Where evidence supports a reduction in the impairment, the impairment expense may be reversed through profit. In the six month period ended 31 January 2011, Australian Pharmaceutical Industries Limited has been impaired by \$23.6 million.

(2) During the half year ended 31 January 2010, there were significant decreases in the share prices of certain listed equity investments held by the Group. In accordance with AASB 139, a 'prolonged decline in the fair value of an investment in an equity instrument below its cost is objective evidence of impairment'. Where a long term equity investment's market bid price is lower than the original cost, and the investment is considered by management to be 'impaired', the Group has recognised an impairment expense in respect of these investments. An impairment recognised for a long term equity investment is prohibited from being reversed through profit and loss. Any future increments in the bid price of these investments will be recognised as a fair value increment in the asset revaluation reserve.

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Notes to the Consolidated Financial Statements

3 (ii) Non-regular items after income tax expense attributable to members:

The Directors consider the disclosure of the impact of non-regular items enhances the understanding of the results to members. Details of these items are as follows:

	2011	2010
	\$'000	\$'000
Gain/(loss) on disposal of long term equity investments, net of tax	23,160	(185)
Gain on disposal of Arrow Energy Limited, net of tax	195,148	-
Gain on acquisition of a controlled entity	4,150	-
Gain on deemed disposals of associates, net of tax	-	33,924
(Loss) on sale of business units	-	(1,047)
Impairment (expense)	(23,617)	(3,198)
Share of significant (expenses) from associate entities	(1,032)	(3,151)
Total non-regular items, net of tax	197,809	26,343

4. Dividends

		\$'000	Amount per security CPS	Franking per security CPS
Interim dividend	Current half year dividend declared but not yet recognised in retained profits, payable on 12 May 2011	35,796	15c	15c
	Previous corresponding half year, paid on 13 May 2010	33,410	14c	14c
Final dividend 2010	A final dividend, not previously recognised in retained profits, was paid on 6 December 2010	47,728	20c	20c
Special dividend 2010	A special dividend, not previously recognised in retained profits, was paid on 6 December 2010	29,830	12.5c	12.5c

No dividend reinvestment plans were in operation during the reporting period.

Total number of ordinary shares on issue for the whole of the reporting period was 238,640,580.

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Notes to the Consolidated Financial Statements

5. Controlled entities acquired or disposed of

During the six months to 31 January 2011, the Group gained control of the following entity:

Copperchem Limited (CCL)

In September 2009, WHSP initially invested \$21 million for a 50% share of the company. On 1 October 2010, an additional 2.38% of the company was acquired for \$3 million and at this date, WHSP obtained control of CCL.

Based on provisional acquisition accounting, the fair value of CCL's assets and liabilities at the date of acquisition was \$50.3 million. The transaction resulted in an increase to the Group's assets by \$50.3 million, and a gain on acquisition of \$4.15 million.

No entities were disposed of during the period ending 31 January 2011.

Washington H. Soul Pattinson and Company Limited
Half year ended 31 January 2011

Notes to the Consolidated Financial Statements

6. Details of investments and results in associates and jointly controlled entities

Name of associated entity	Group's percentage of holding at balance date *		Contribution to Group net profit for the half year **	
	Jan 2011 %	Jan 2010 %	2011 \$000	2010 \$000
Associates – held by WHSP				
Brickworks Limited (i)	44.5	44.6	7,696	4,689
Australian Pharmaceutical Industries Limited	24.6	24.6	3,033	2,934
Ruralco Holdings Limited	23.5	23.5	1,006	501
TPG Telecom Limited (ii)	26.7	28.2	9,170	7,891
Apex Healthcare	30.0	30.0	2,474	1,352
Clover Corporation Limited	28.6	28.6	557	546
KH Roberts Group Pte. Limited	49.0	49.0	86	58
Jointly controlled entity – held by WHSP				
Copperchem Limited (iv)	-	50.0	-	-
Associates – held by Controlled entities***				
Ampcontrol Pty Limited	45.0	45.0	2,191	2,022
Austrains Pty Limited	48.0	48.0	(164)	68
Belaroma Coffee Pty Ltd	40.0	40.0	196	108
InterRISK Australia Pty Ltd	40.0	40.0	(387)	(239)
Heritage Brands Limited (iii)	25.1	47.9	87	(227)
Specialist Oncology Property Pty Limited	31.4	31.4	160	48
Supercorp Pty Limited	30.2	30.2	(126)	(32)
Jointly controlled entity – held by Controlled entities****				
BW Partners Pty Limited (v)	50.0	-	(58)	-
Share of results from equity accounted associates and joint venture before impairment			25,921	19,719
Impairment of investment in associates (refer note 3i) - Australian Pharmaceutical Industries Limited			(23,617)	-
Total impairment of investment in associates			(23,617)	-
Share of results and impairment from equity accounted associates and joint venture			2,304	19,719

* The percentage holding represents the Group's total holding in each Associate.

** Contribution to Group net profit represents the amount included in profit after tax before non-controlling interest.

*** Investments in these Associates are held by a controlled entity, Souls Private Equity Limited (SPEL).

**** Investment in the jointly controlled entity held by a controlled entity, Pitt Capital Partners Limited (PCP).

Change in Associate status

(i) On the 1st November 2010, Brickworks Limited issued shares as part of their employee share scheme. As a result of this transaction, of which WHSP did not participate, WHSP's percentage holding in Brickworks decreased by 0.1% to 44.5%.

(ii) WHSP participated in the TPG Telecom Limited dividend reinvestment plan (DRP) issued on 17 November 2010. As a result of the DRP, WHSP increased its shareholding from 26.6% (31 July 2010) to 26.7%.

Washington H. Soul Pattinson and Company Limited

Half year ended 31 January 2011

Notes to the Consolidated Financial Statements

6. Details of investments and results in Associates and Jointly controlled entities (Continued)

(iii) As a result of a capital raising by Heritage Brands (Previously known as SODA Brands Limited), on the 18th December 2009, the Group's shareholding in Heritage Brands was reduced from 50.3% to 47.9%. From the date of this change, Heritage Brands ceased to be accounted for as a subsidiary and was equity accounted as an associate. In July 2010, SPEL further reduced its holding in Heritage Brands to 25.1%.

Jointly controlled entities

(iv) On 1st October 2010, WHSP acquired an additional 2.38% of Copperchem Limited for \$3 million and at this date, WHSP obtained control of Copperchem Limited. Prior to this date, Copperchem was jointly controlled and was equity accounted by the Group.

(v) On 1st November 2010, the controlled entity Pitt Capital Partners Limited, acquired a 50% shareholding in BW Partners Pty Limited (BWP) for \$1 million. From this date, BWP was equity accounted by the Group.

7. Contingent liabilities

Souls Private Equity Limited, a controlled entity, acts as guarantor (on a Joint and Several basis with one other party) over the Trade Finance Facility of its associate entity, Austgrains Pty Limited. The amount of the guarantee is limited to \$6,000,000. Austgrains Pty Limited uses the funds from the facility to purchase grain. As at balance date, Austgrains have drawn down in excess of \$6 million of this facility; however, all covenants had been complied with at that time.

There are no other material changes to contingent liabilities of the Group since 31 July 2010.

8. Events occurring after the balance sheet date

Takeover Bid for Northern Energy Corporation Limited by New Hope Corporation Limited (Controlled entity)

Subsequent to the end of the half year, New Hope's wholly owned subsidiary, Arkdale Pty Ltd increased its cash offer to \$1.85 per Northern Energy share. The offer was declared unconditional and best and final and the payment terms accelerated. The increase offer represents a premium of 94.7% to the closing share price of Northern Energy shares on the day before New Hope's initial approach to Northern Energy Corporation Limited (NEC).

On 22 February 2011, the Directors of NEC recommended that shareholders accept New Hope's offer in the absence of a superior proposal.

As at 23 February 2011, New Hope's voting power in NEC had increased to more than 50%, effectively giving New Hope control of NEC.

9. Other significant information

Please refer to the Review of Operations contained in this report.

Washington H. Soul Pattinson and Company Limited

A.B.N. 49 000 002 728

Directors' Declaration

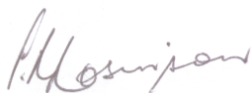
The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 4 to 28, are in accordance with the Corporations Act 2001, including:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 January 2011 and of its performance for the half year ended on that date.
2. 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.

This declaration is made in accordance with a resolution of the Board of Directors.



R.D. Millner
Director



P.R. Robinson
Director

Dated this 24th day of March 2011

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF WASHINGTON H. SOUL PATTINSON AND COMPANY LIMITED
AND ITS CONTROLLED ENTITIES**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Washington H. Soul Pattinson and Company Limited ("the company") and its Controlled Entities ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 January 2011, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising Washington H. Soul Pattinson and Company Limited and the entities it controlled at half year's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 January 2011 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 Washington H. Soul Pattinson and Company Limited and its Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the applicable independence requirements of the *Corporations Act 2001*.

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 Washington H. Soul Pattinson and Company Limited and the entities it controlled is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 January 2011 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the *Corporations Regulations 2001*.



Moore Stephens Sydney
Chartered Accountants



Martin J. (Joe) Shannon
Partner

Dated in Sydney, the 24th day of March 2011.