



ASX & MEDIA RELEASE

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DIVERSE EARNINGS BASE ENABLES WH SOUL PATTINSON TO LIFT HALF YEAR DIVIDEND

HALF YEAR	2007	2006
Revenue (\$M)	457.6	468.4
Net* (\$M)	45.5	48.9
EPS (cents)	16.3	18.0
Dividend (cents)	11.5	11.0

* Before non-regular items

- Interim dividend up 4.5% to 11.5 cents, fully franked
- Profit before non-regular items down 7% to \$45.5M
- New Hope Coal and Brickworks the biggest contributors
- Turnaround in telecommunications and to come in pharmaceuticals and food
- Business outlook positive

Diverse earnings across coal mining, building products, telecommunications and equities and improving prospects in pharmaceuticals and food have enabled directors of investment house, Washington H Soul Pattinson and Company Limited (WHSP), to lift half year dividend for the period to January 31.

Dividend is up 4.5 per cent to 11.5 cents a share fully franked compared with 11 cents in the previous corresponding period, lifting payout ratio to 71 per cent of earnings per share of 16.3 cents (18 cents previously).

Profit after tax and before non regular items was 7 per cent lower at \$45.46 million (\$48.90 million), affected by individual company issues across the group, with some companies performing well and others in turnaround mode.

Chairman of WHSP, Mr Robert Millner, said the group had again benefited from the diversity of its business interests and the quality of management in those businesses.

“Some have performed well in difficult conditions while in others we see evidence of a turnaround which has given us a positive view on the outlook and confidence to increase dividend,” Mr Millner said.

The biggest contributors to profit were New Hope Corporation (61.3 percent owned), with a steady profit of \$40.1 million from coal mining, and Brickworks (49.5 per cent owned), with a profit of \$36.7 million from building products, land & development and investment.

New Hope’s results did not include an unrealised capital gain from its 18.6 per cent shareholding in coal seam gas producer, Arrow Energy, which amounted to \$95.8 million at March 16.

Brickworks profit was 20.4 per cent lower than the previous corresponding period, principally due to higher tax, although its national building products business lifted earnings as a result of acquisitions and despite falling building approvals in New South Wales.

Among other noteworthy aspects of these two companies were promising exploration results from New Hope's coal areas in Queensland's Bowen Basin and Brickworks opening a new brick plant in Victoria, indicating further land & development profits in the pipeline and increased value in its half owned property trust, now at \$58.4 million.

Media and telecommunications company, SP Telemedia (44.5 per cent owned), has turned its business around significantly, lifting profit on a normalised basis 52 per cent to \$10.1 million and demonstrating the benefits of being Australia's only owner of a national converged network.

New Hope and Brickworks have both lifted interim dividend and SP Telemedia, while maintaining dividend on a per share basis, is to pay out more on expanded capital.

The value of WHSP's investment in all listed entities, including group companies, was \$2.4 billion at January 31 and dividend income from non-group companies was up 34 per cent to \$12.1 million.

Two companies in the group reported losses for the half year - Australian Pharmaceutical (21.7 per cent owned) recording a negative \$17.3 million and KH Foods (86.6 per cent owned), reducing half year loss to \$14.0 million.

New management at API has restructured the business to reduce costs and improve management capability and has since provided earnings guidance of an expected second half EBITD profit of \$39 million.

While directors of WHSP and KH Foods consider half year results unacceptable, they do see the building blocks in place for a turnaround, although initiatives are taking time to gain traction and their full impact is yet to be realised.

WHSP's other businesses in investment banking, funds management and private equity investment have all performed well and contributed positively to results.

Interim dividend will be paid on May 10 to shareholders registered on May 1.

ISSUED FOR : **WASHINGTON H SOUL PATTINSON & CO LIMITED (ASX CODE: SOL)**

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About Washington H Soul Pattinson and Company Limited

www.whsp.com.au

Washington H Soul Pattinson is Australia's fourth oldest listed company. Beginning as a chemist shop in Pitt Street in 1872, the company listed on the Australian Stock Exchange 30 years later. Over the 105 years since listing, WHSP is the only Australian company to pay a dividend every year, including throughout the depression of the 1930s. Today, with a market capitalisation of approximately \$2.5 billion, WHSP is a diversified investor in basic commodities such as bricks, coal, equities, media, telecommunications, food, financial services and pharmaceuticals.