

Washington H Soul Pattinson and Company Limited

ASX & MEDIA RELEASE

29 SEPTEMBER 2005

COAL, INVESTMENTS & MERCHANT BANKING DRIVE RECORD PROFIT FOR SOUL PATTINSON

	FY 2005	FY 2004	Change (%)
PROFIT / SALES			
Sales (\$M)*	597.1	392.9	+ 52.0
Profit after tax before non regular items (\$M)	105.1	81.5	+ 29.0
Profit after tax and non regular items (\$M)	421.4	155.9	+ 170.3
CONTRIBUTIONS % after tax before non-regular items and after outside equity interests			
Coal	58.7	34.0	
Building products	18.1	29.2	
Investments	14.9	15.8	
Media	4.0	9.3	
Telecommunications	5.8	7.2	
Other	(1.5)	<u>4.5</u>	
	100.0%	<u>100.0%</u>	
DIVIDEND / EPS**			
EPS (cents)	176.6	65.3	+ 170.3
Final Dividend (cents)	15.0	12.0	+ 25.0
Interim Dividend (cents)	10.0	8.0	+ 25.0
Total Dividend (excl. special divs)(cents)	25.0	20.0	+ 25.0

- Profit up 29% to \$105.1 million (excluding non-regular profits of \$316.3M)
- Coal, investments & merchant banking the key drivers
- Dividend up 25% to 25 cents
- Additional special dividends: 5.0c in 2005, 15.0c in 2006

About Washington H Soul Pattinson & 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 103 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.

COAL, BRICKS AND FINANCIAL SERVICES DRIVE RECORD PROFIT FOR SOUL PATTINSON

The main contributors to a record profit for the year to July 31 for investment house, Washington H Soul Pattinson and Company Limited (WHSP), have been activities in coal mining, investments and merchant banking

Net profit after tax before non-regular items for the year was up 29 per cent to \$105.1 million compared with \$81.5 million in 2004.

After non-regular items amounting to \$316.3 million, mainly from a share of profit from the sale of overseas operations by coal company, New Hope Corporation, profit after tax was \$421.5 million compared with \$155.9 million in the previous year.

Record profit has enabled directors to increase the final dividend by 25 per cent to 15 cents per share fully franked resulting in a full year dividend of 25 cents per share compared with 20 cents per share last year.

In addition to the uplift in the final ordinary dividend, directors have also declared two special dividends totalling 15 cents per share relating to the second tranche payable from the sale of NBN Television of 10 cents and an additional 5 cents per share relating to the partial distribution by New Hope Corporation from the sale of its international coal assets.

WHSP primary activities are - coal, equity investments, building products, telecommunications and media, pharmaceuticals, food and financial services which includes merchant banking and funds management.

According to WHSP chairman, Mr Robert Millner, it was another year in which diversity within the group had delivered not only outstanding operational results but also extraordinary profits which were being shared with investors.

“Our bigger and more established businesses have been the largest contributors to earnings but the newer businesses, particularly in telecommunications and merchant banking, were showing the potential they can contribute in the future,” Mr Millner said.

Coal, through 62.9 per cent owned New Hope Corporation, lifted profit after tax 136 per cent to \$96.7 million, driven by higher world coal prices and a doubling in profit from its Australian operations.

A strategic review within New Hope following sale of overseas operations has resulted in a focus on upgrading its existing resource base, with expansion of the New Acland mine near Toowoomba planned, as well as exploration and evaluation of other opportunities in energy and port infrastructure.

For 49.8 per cent owned Brickworks Limited, profit from property development and investments offset a building products industry downturn, with profit after tax before non-regular items for the 13 months to July up 27 per cent to \$93.9 million.

The WHSP investment portfolio, with a market value of \$2.2 billion including listed controlled entities, up from \$1.9 billion in 2004, returned 14.4 per cent for the year, including unrealised capital gains.

In its third year of operations, WHSP's 50 per cent owned merchant banking arm, Pitt Capital Partners, increased net profit after tax four times the previous year to \$8.6 million, with capital raisings and underwritings valued at \$400 million and corporate finance projects valued at over \$1.2 billion.

The 51 per cent owned, SP Telemedia, has become Australia's only converged service provider across voice, video and data communication, now that it combines an expanded telecommunications network with Australia's top rating television station in its market, NBN Television.

SP Telemedia increased profit after tax 71 per cent to \$16.5 million for the year to July with two of its newer acquisitions, Comindico and B Digital, reporting for only part of the period.

Pharmaceutical performance improved significantly, with 21.5 per cent owned Australian Pharmaceutical Industries lifting profit after tax 61.2 per cent for the year to April 30, reflecting integration of New Price Retail, with the framework in place for growth of franchise retail pharmacies.

Funds management has grown strongly, with 63.6 per cent owned Soul Funds Management increasing funds under management by 132 per cent to \$543 million, with an expansion of staff and systems planned for the year ahead.

In food, 28.6 per cent owned Clover Corporation decreased profit due to plant commissioning delays, although it has a positive outlook from its now expanded product range in soy and omega-3.

KH Foods, which is 53.3 per cent owned, recorded a higher than expected loss after tax and non-regular items of \$17.3 million, although improvement is expected with new equipment now operational.

WHSP will pay final and relevant special dividends on November 28 to shareholders registered on October 27.

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