

# Washington H Soul Pattinson and Company Limited

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ASX & MEDIA RELEASE

31 MARCH 2005

## DIVERSITY LIFTS HALF YEAR PROFIT AND DIVIDEND FOR SOUL PATTINSON

- **Profit up 27 % to \$51.7M**
- **Coal the biggest contributor, with Australian operations doubling profit**
- **Investment portfolio valued at \$2.6B, returns 32.9%**
- **Dividend up 25% to 10 cents, fully franked**

Investment house, Washington H Soul Pattinson and Company Limited (WHSP), increased profit and dividend for the six months to January 31, 2005, benefiting from a diverse range of contributions from well performing businesses.

Profit after tax and before non regular items was \$51.7 million, an increase of 27.7 per cent over \$40.4 million in the previous corresponding period.

As a result of improved group performance, directors have lifted interim dividend 25 per cent to 10 cents a share fully franked from 8 cents previously.

Net profit after non-regular items was \$68.9 million, a decrease of 29.7 per cent over the previous corresponding period, due to the previous period having a higher level of non regular profits.

Non regular profit in the previous period of \$57.6 million included \$35.2 million from the sale of Brickworks' investment portfolio and in the current period, non regular profit amounted to \$17.3 million, comprising profits on the sale of properties, businesses and investments.

The largest contributor to group profit was integrated coal group, New Hope Corporation (63.9 per cent owned), providing a 22.4 per cent higher contribution of \$26.8 million, principally due to Australian coal operations more than doubling profit.

Other significant contributors to profit were the equities portfolio, providing \$8.2 million in dividends from a \$2.6 billion portfolio, building products providing \$7.2 million through Brickworks (49.8 per cent owned) and media and telecommunications providing \$4.4 million through SP Telemedia (50.5 per cent owned).

According to WHSP chairman, Mr Rob Millner, the fundamentals of sound management and investment were continuing to pay off in growing earnings and dividends.

“The group is fortunate in having invested in a diversity of strong businesses and they have nearly all demonstrated potential to expand in their sectors, heralding further growth ahead,” Mr Millner said.

The strong performance of New Hope’s Australian operations, which benefited from higher coal prices and the strong Australian dollar, meant they contributed 53 per cent of New Hope’s profit, with overseas operations providing 47 per cent.

A change ahead for New Hope is the impending sale of its international coal assets for US\$378 million (approximately A\$490 million), with a conditional sale and purchase agreement announced in February.

The sale requires approval by New Hope shareholders at a meeting in April and New Hope directors have recommended it as achieving optimum value at the top of the commodity price cycle.

SP Telemedia’s half year net profit after tax and outside equity interest was \$7.9 million, up 84 per cent, with a significant contract win being to provide network services for five years to the NSW state government’s broadband initiative.

WHSP’s interests in financial services have gained momentum during the year, with its various businesses increasing profit and putting in place a platform for growth.

Merchant bank, Pitt Capital Partners (51.6 per cent owned), increased after tax profit threefold to \$4.9 million and fund manager, Souls Funds Management (64 per cent owned), more than doubled funds under management and advice to \$490 million.

Reconstruction of WHSP’s interests in food progressed further, with Keith Harris changing its name to KH Foods and focusing on baking after the sale of its flavours and fragrances division.

KH Foods now has baking operations in NSW, Victoria, South Australia and Western Australia and, while investment in new automated production facilities has not been completed as quickly as expected, the new food business strategy remains on track.

WHSP will pay its fully franked interim dividend on May 12 to shareholders registered on April 29.

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

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For a full copy of this news release and Directors’ Review of Operations, see [www.westbrookfin.com.au](http://www.westbrookfin.com.au)

**About Washington H Soul Pattinson & Company Limited**

[www.whsp.com.au](http://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.*