



ASX/MEDIA RELEASE

WHSP Reports Half Year Profit of \$117.5 million

	2009	2008	Change
Revenue (\$000)	351,550	393,511	(11%)
Profit after tax before non-regular items (\$000)	117,460	43,987	167%
Profit after tax and non-regular items (\$000)	939,994	45,407	1,970%
Earnings per share (cents)	393.9	19.0	1,970%
Interim dividend (cents)	13.0	12.0	8%

- Profit after tax before non-regular items (attributable to shareholders) for the half year of \$117.5 million, up 167% from the previous corresponding period
- Interim dividend up 8% to 13 cents per share
- WHSP's listed investment portfolio outperformed the benchmark S&P/ASX 300 accumulation index

Thursday, 26 March 2009: Diversified investment company, Washington H. Soul Pattinson and Company Limited (WHSP, ASX: SOL), today announced an increase in Group profit **after tax before non-regular items** (attributable to shareholders) for the half year ended 31 January 2009 of \$117.5 million, up 167% from the previous corresponding period.

The Profit of the Group, **after tax and non-regular items**, was \$940 million, in excess of 20 times that of the previous corresponding period. The net profit on non-regular items of \$823 million is principally composed of the Group's \$1.03 billion profit on the sale of the New Saraji coal project by New Hope and impairment of investments in associated companies of \$172 million.

Chairman of WHSP, Mr Rob Millner, said: "This is an exceptional result, driven principally by the New Hope profit from the sale of the New Saraji coal project and improved results in Pitt Capital Partners."

The WHSP Directors consider the profit before non-regular items of \$117.5 million to be the underlying profit of the Group and accordingly, interim and final dividends are declared and recommended based on that profit.

Interim dividend

Directors have declared an interim dividend of 13 cents per share in respect of the half year ended 31 January 2009, an increase of 8% over last year's interim dividend of 12 cents per share. The dividend will be fully franked and payable on 14 May 2009.

Investments

WHSP's listed investment portfolio, which includes controlled entities and associates, was valued at \$2.8 billion as at 31 January 2009, compared to \$3.6 billion at 31 July 2008 and \$2.4 billion at 31 January 2008.

The variation in value reflects the continuing market volatility. The portfolio outperformed the benchmark S&P/ASX 300 accumulation index for the half year with a return of negative 20%, compared to the benchmark return of negative 27%.

Major controlled entities

New Hope Corporation Limited (New Hope) reported a net profit after tax (NPAT) from its coal mining, treasury, investments and port operations (excluding non-recurring items) of \$132 million for the half year ended 31 January 2009 (2008: \$37 million), a 262% increase over the previous corresponding period. A non-recurring net profit after tax of \$1.7 billion was reported from the sale of the New Saraji coal project.

Additionally, New Hope benefited from higher coal sale prices, in AUD terms, for both export and domestic coal coupled with higher export coal sales tonnages. It has also benefitted from a substantially lower average AUD:USD exchange rate, continued saleable coal production growth and higher interest income from cash on deposit resulting from the sale of the New Saraji project.

New Hope has announced its intentions to take advantage of a new mining lease at the New Acland Mine, expected to be granted in 2010. When granted this lease will give New Hope the ability to incrementally increase production to 10 million tonnes per annum - up from the production of 4.8 million tonnes that was approved in 2008 - subject to market conditions, rail and port capacity.

New Hope has declared an ordinary dividend of 4.75 cents per share fully franked which is payable on 6 May 2009. New Hope has previously advised that a special dividend of approximately 74 cents per share will be paid in November from proceeds received from the sale of the New Saraji project. WHSP will receive over \$360 million from this special dividend.

As a result of WHSP's 60.9% holding in the issued capital of New Hope, New Hope contributed \$1.1 billion to the net profit of the Group (2008: \$22 million).

Pitt Capital Partners Pty Limited (PCP) is a corporate advisory firm specialising in mergers and acquisitions, strategic advice, equity capital markets, private equity, restructuring and debt advisory work. Among other transactions completed during the half year PCP was the sole advisor to New Hope in its sale of the New Saraji project to the BHP Billiton Mitsubishi Alliance.

As a result of WHSP's 78.3% interest in the issued capital of PCP, PCP contributed \$11 million to the net profit of the Group (2008: \$0.1 million).

Major associated entities

Australian Pharmaceutical Industries Limited (API) reported total revenue of \$3.2 billion and a full year NPAT of \$15 million for the year ended 31 August 2008, a 22% increase from the

previous corresponding period. API has advised that it is on target to improve on last year's first half net profit of \$6 million by up to 10%. API will announce their half-year result on 29 April 2009.

As a result of WHSP's 24.6% holding in the issued capital of API, API contributed a net profit of \$2 million to the Group (2008: \$0.6 million loss)

Brickworks Limited (Brickworks) NPAT before non-regular items from operations and investments was \$51 million, 26% higher than the previous corresponding period. Brickworks' result highlights the strength and reliability of the Brickworks model, with earnings diversity from its three divisions of Building Products, Land and Development and Investments.

As a result of WHSP's 49.5% holding in the issued capital of Brickworks, Brickworks contributed a \$5 million regular profit to the Group (2008: \$12 million). In addition, WHSP's share of the non regular write downs was \$25 million. These results exclude the WHSP profit taken up by Brickworks under the equity accounting method.

Clover Corporation Limited (Clover) reported a NPAT for the first half ended 31 December 2008 of \$1.6 million (2007: \$0.7 million) an increase of 135%. Clover's Directors have advised that the outlook for the company's performance in the second half of the 2009 financial year is encouraging and appears stronger than the first half.

As a result of WHSP's 28.6% holding in the issued capital of Clover, Clover contributed a net profit of \$0.5 million to the Group (2008: \$0.2 million).

Ruralco Holdings Limited (Ruralco): As a result of WHSP acquiring additional shares in Ruralco on 4 June 2008, WHSP's investment in Ruralco was reclassified as an investment in an associated company and has been equity accounted since that date.

For the year ended 30 September 2008 Ruralco reported total revenue of \$886 million, an increase of 18% over the previous corresponding year. NPAT for the year was \$16 million, an increase of 43%.

As a result of WHSP's 23.5% holding in the issued capital of Ruralco, Ruralco contributed a total net profit of \$1.2 million to the Group (2008: \$1.1 million dividend income)

SP Telemedia Limited (SPT) announced a group NPAT of \$5.1 million for the half year ended 31 January 2009, representing a 104% increase on the previous corresponding period of \$2.5 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the half year was \$44.2 million, which includes a full six months trading from the TPG group and represents a 264% increase on the EBITDA of \$12.2m achieved in the corresponding period last year.

SPT has generated a net cash inflow from operations before interest, tax capital expenditure and debt repayments during the half year of \$64 million up \$9 million on last year and have reaffirmed that the group will achieve its full year guidance of \$93 million EBITDA.

As a result of WHSP's 27.5% holding in the issued capital of SPT, SPT contributed \$1.4 million to the net profit of the Group (2008: \$1 million, 44.5% holding).

Results Briefing:

Robert Millner, Chairman will be presenting the WHSP results today, along with a Q&A session afterwards, at the Wesley Centre, Lyceum Theatre, 220 Pitt Street, Sydney - 12.15pm, for 12.30pm start.

Please note that Brickworks will be presenting at 12.30pm, prior to WHSP.

About Washington H. Soul Pattinson & Company

Washington H. Soul Pattinson & Company (WHSP) is Australia's third 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 106 years since listing, WHSP is the only Australian company to pay a dividend every year, including throughout the depression of the 1930s. Today WHSP is a diversified investor in basic commodities such as building products, coal, equities, telecommunications, food, financial services and pharmaceuticals.

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