

Washington H Soul Pattinson and Company Limited

ASX & MEDIA RELEASE

29 SEPTEMBER 2004

CORPORATE ACTIVITY AND GROWTH BUSINESSES LIFT SOUL PATTINSON RESULTS

	FY 2004	FY 2003	Change (%)
PROFIT / SALES			
Sales (\$M)*	392.9	340.6	+ 15.3
Profit after tax before non regular items (\$M)	81.5	78.7	+ 3.6
Profit after tax and non regular items (\$M)	155.9	88.3	+ 76.6
CONTRIBUTIONS % after tax before non-regular items and after outside equity interests			
Coal	34.0	32.3	
Building products	29.2	28.3	
Investments	15.8	15.8	
Media	9.3	7.4	
Telecommunications	7.2	4.8	
Pharmaceuticals	5.9	7.7	
Financial Services	1.5	-	
Other	-2.9	<u>3.7</u>	
	<u>100.0%</u>	<u>100.0%</u>	
DIVIDEND / EPS**			
EPS (cents)	65.3	37.0	+ 76.6
Final Dividend (cents)	12.0	10.0	+ 20.0
Interim Dividend (cents)	8.0	7.0	+ 14.3
Total Dividend (excl. special divs)(cents)	20.0	17.0	+ 17.6

HIGHLIGHTS:

- Significant contributions from most businesses, especially building products and coal
- Investment portfolio outperforms ASX 300 Accumulation Index, 48.3 per cent vs. 18.2 per cent
- Significant rises in group share prices, especially WH Soul Pattinson, Brickworks, New Hope and SP Telemedia
- NBN and SP Telecommunications merged, businesses in merchant banking and funds management established
- Total dividend up 17.6 per cent to 20.0 cents, with two 10 cent special dividends payable in 2004 and 2005

CORPORATE ACTIVITY AND GROWTH BUSINESSES LIFT SOUL PATTINSON RESULTS

After a year of corporate activity throughout the group, investment house, Washington H Soul Pattinson and Company Limited (WHSP), has lifted profit and dividend for the year to July 2004.

Before non-regular items, profit after tax was up 3.6 per cent to \$81.5 million, and after non-regular items totalling \$74.4 million, profit was up 76.6 per cent to \$155.9 million.

As a result, directors are lifting full year dividend 17.6 per cent to 20 cents from 17 cents previously, as well as having already indicated payment of two special dividends of 10 cents to coincide with final dividends in 2004 and 2005.

Contributions to group results come from activities in building products, media and telecommunications, coal, equities investment, pharmaceutical products, merchant banking and funds management, food and industrial products.

Among initiatives from WHSP group companies which have contributed to recent and potential growth are:

- acquisition by Brickworks Limited (49.8 per cent owned by WHSP) of Bristle Limited, contributing to a significant profit lift for the year to June, with contribution to WHSP profit, including non-regular items, increasing to \$60.7 million (\$22.3 million last year)
- sale by WHSP of its former wholly owned television station to SP Telecommunications (44.5 per cent owned) to create SP Telemedia, Australia's first converged telecommunications and media business
- spinning off integrated coal group, New Hope Corporation (63.4 per cent owned) to list on the ASX in 2003, with it lifting profit for the year to July and its contribution to WHSP profit after non-regular items rising 49.6 per cent to \$38 million
- establishment of Souls Funds Management (63.6 per cent owned), by acquiring a business with \$20 million under management and assisting it to grow to \$234 million by year's end
- growing deal flow for merchant banking operation, (Pitt Capital Partners 50 per cent owned), with it opening offices in Adelaide and Hong Kong and lifting profit 250 per cent to \$1.7 million
- Australian Pharmaceutical Industries (23.2 per cent owned) deciding to build a new manufacturing facility and, after balance date, making an acquisition of New Price Retail to drive a fast track retail-led strategy
- further expansion in food, with Clover Corporation (28.5 per cent owned) progressing with new Omega3 DHA and soy products and Keith Harris & Co (58.7 per cent owned) expanding bakery operations through a Western Australian acquisition

According to WHSP chairman, Mr Rob Millner, the fundamentals of sound management and investment principles 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.

Substantial contributors to results were Brickworks, New Hope, NBN Television, SP Telecommunications, Australian Pharmaceutical Industries and the equities investment portfolio

Among significant non-regular profits recorded by group companies were sale by Brickworks of its investment portfolio, with total non-regular profit from Brickworks being \$83.2 million, and New Hope recording non-regular profit from three items amounting to \$18.4 million.

The value of the WHSP equities portfolio, which includes controlled entities and associated companies, was \$1.91 billion at July, an increase of 66.1 per cent from \$1.15 billion a year ago.

Return from the portfolio after including unrealised capital gains was 48.3 per cent for the year compared with the benchmark S&P/ASX 300 Accumulation Index of 18.2 per cent.

Among group share price rises during the year were WHSP, rising 24 per cent to \$7.35, New Hope up 185 per cent to \$1.14 and SP Telemedia increasing 38 per cent to \$1.45.

Over the past 15 years, WHSP has provided a compound return of 16.0 per cent per annum compared with 10.1 per cent from the ASX All Ordinary Accumulation index.

WHSP will pay its final and special dividends, both of which are fully franked, on November 29 to shareholders registered on October 27.

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

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 102 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 bricks, coal, equities, media, telecommunications, food, financial services and pharmaceuticals.