



Washington H. Soul Pattinson and Company Limited

2016 Half Year Results Presentation



Business Overview



**DIVERSIFIED
PORTFOLIO**

**LONG TERM
FOCUSED**

**CONSERVATIVE
AND VALUE
FOCUSED**

**OVER THE LAST 15 YEARS
WHSP HAS**

**CONTINUALLY INCREASED
DIVIDENDS**
(growing at a CAGR of 11.3% pa)



**DELIVERED A TSR OF
14.0% PER ANNUM**
(outperforming the All Ords
Accumulation Index by 6.8% pa)

For personal use only

For personal use only

Performance Highlights

Half Year Ended 31 January 2016



Total Profit After Tax	\$95.4m	+ 41.7%
Regular Profit After Tax*	\$83.6m	- 5.2%
Pre-tax value of Major Strategic Investments <i>(ASX All Ordinaries Index was down 11.0% for the period)</i>	\$4,439m	+ 1.0%
Ordinary dividends and interest received net of regular operating costs	\$71.1m	+ 25.2%
FY16 Interim Dividend	21 cents	+ 5.0%

* Regular profit after tax is a non-statutory profit measure and represents profit from continuing operations before non-regular items. A reconciliation to statutory profit is included in the Appendix 4D– Note 3, Segment information.

3

Group Result (Consolidated)

Half Year Ended 31 January 2016



Total Profit After Tax	\$95.4m	(up 41.7%)
Regular Profit After Tax*	\$83.6m	(down \$4.6m)
Significantly higher contributions by:	<ul style="list-style-type: none"> ▪ TPG (up 30.7%) ▪ Brickworks (up 38.4%) ▪ API (up 36.4%) 	
Impacted by lower prices for:	<ul style="list-style-type: none"> ▪ Coal and oil (New Hope) ▪ Copper (CopperChem & Exco) 	
Net profit from non-regular items	\$11.8m	(1H15 \$20.9m loss)

* Regular profit after tax is a non-statutory profit measure and represents profit from continuing operations before non-regular items. A reconciliation to statutory profit is included in the Appendix 4D– Note 3, Segment information.

4

For personal use only

Portfolio Performance

As at 31 January 2016



	Valuation (\$m)	% of portfolio	6 month movement	
			\$m	%
TPG Limited	2,145	39.7%	115	5.7%
Brickworks	998	18.5%	20	2.0%
New Hope	818	15.1%	(129)	(13.6%)
API Limited	251	4.6%	60	31.4%
BKI Investment	104	1.9%	(5)	(4.3%)
Ruralco	53	1.0%	(8)	(13.6%)
Apex	44	0.8%	(11)	(19.6%)
Market valuation of Major Strategic Listed Investments	4,413	81.6%	42	1.0%
Other listed portfolio	633	11.7%	5	0.7%
Unlisted equity portfolio*	157	2.9%	(98)	(38.4%)
Property portfolio*	119	2.2%	50	72.7%
Cash and net funds on deposit	54	1.0%	(100)	(64.9%)
Loans and other net assets	31	0.6%	9	38.4%
Gross market value of portfolio	5,407	100.0%	(92)	(1.7%)

The unrealised tax liability on the portfolio is \$1.1 billion

The after tax net portfolio value is \$4.3 billion or \$18.05 per share

Major Strategic Listed Investments
up \$42m or 1.0%
ASX All Ords down 11.0%

* Directors' valuations

5

WHSP

SOL Total Shareholder Returns



Annual Returns	1 Year	3 Years	5 Years	10 Years	15 Years
WHSP	34.0%	10.6%	9.7%	9.2%	14.0%
All Ord. Accum. Index	(4.7%)	5.5%	5.4%	4.7%	7.2%
Outperformance by WHSP	38.7%	5.1%	4.3%	4.5%	6.8%

Includes the re-investment of dividends.

Source: IRESS.

6

For personal use only

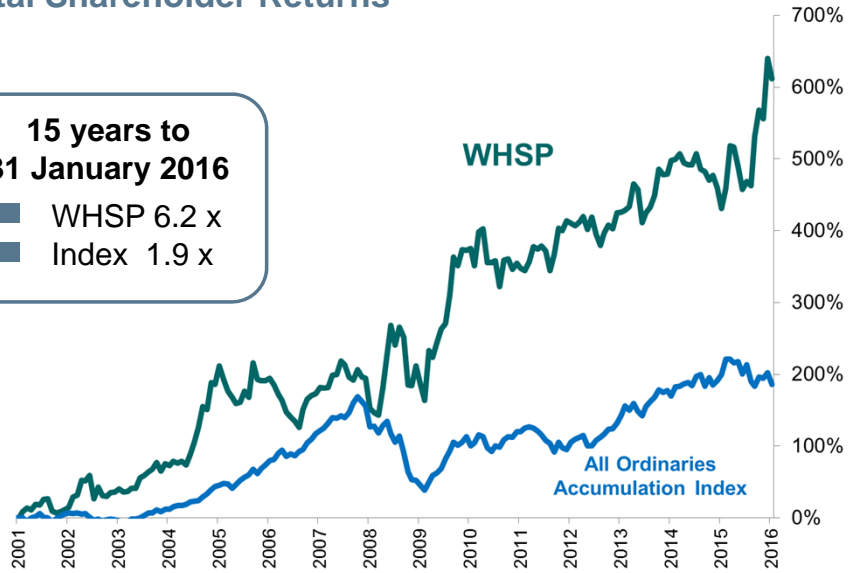
WHSP

SOL Total Shareholder Returns



**15 years to
31 January 2016**

- WHSP 6.2 x
- Index 1.9 x



Includes the re-investment of dividends.

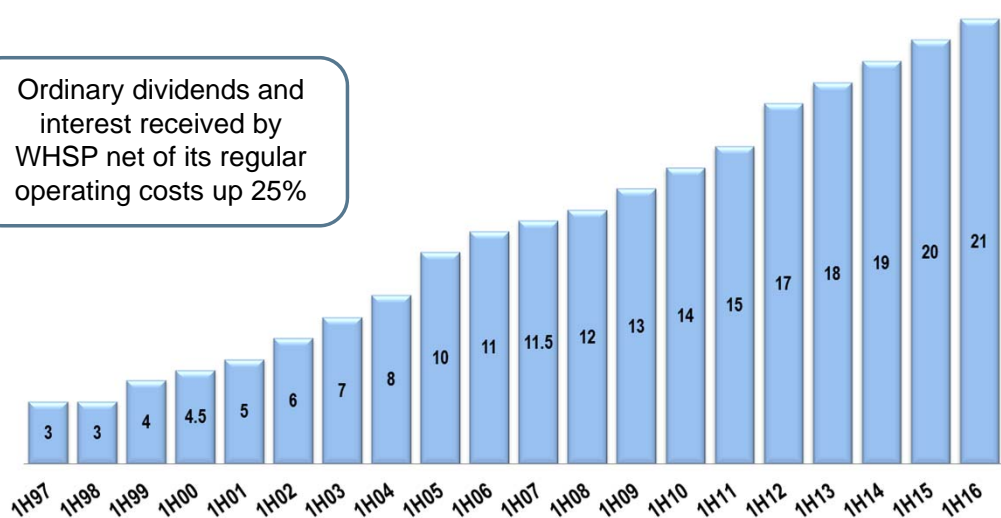
Source: IRESS.

Interim Dividend History

Interim Dividend 21 cents per share, up 5.0%



Ordinary dividends and interest received by WHSP net of its regular operating costs up 25%



Dividends paid prior to June 2002 are adjusted for 10:1 Share Split

For personal use only

TPG Telecom Limited

Half Year Ended 31 January 2016



Percentage ownership	25.2%
Value of shareholding	\$2,145m
1H share price performance	5.7%
Contribution to WHSP profit	\$53.0m

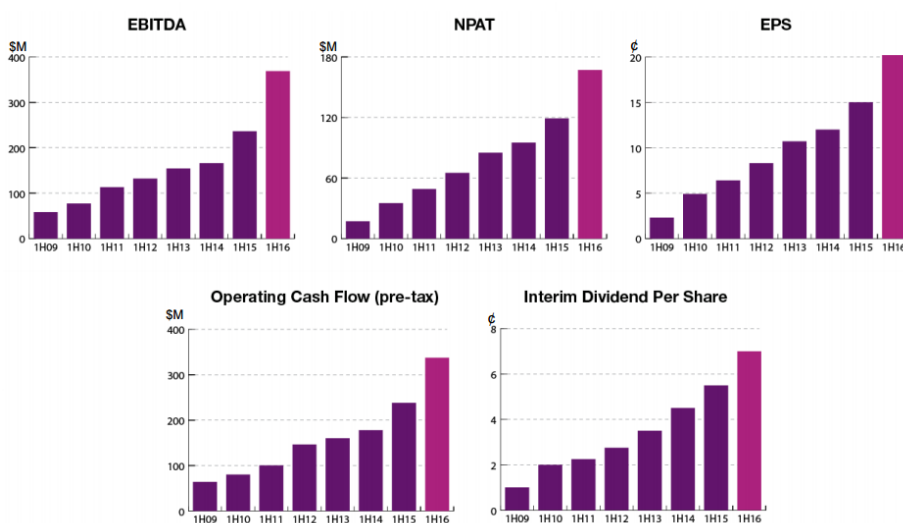
- EBITDA \$437.3m, up 85%
- Net Profit After Tax \$202.5m, up 90%
- Underlying EBITDA \$368.8m, up 56%
- EPS increased by 83% to 24.5 cents per share
- Interim Dividend of 7 cents per share fully franked, an increase of 27%
- Interim dividend receivable by WHSP \$14.9m



9

TPG Telecom Limited

1H performance over last 8 years



In the above charts: 1H16 EBITDA is the underlying EBITDA. For all other periods EBITDA is as reported. 1H16 NPAT is the underlying NPAT. For all other periods NPAT is as reported except adjusted to exclude acquired customer base intangible amortisation. EPS is based on NPAT figures used in the chart.

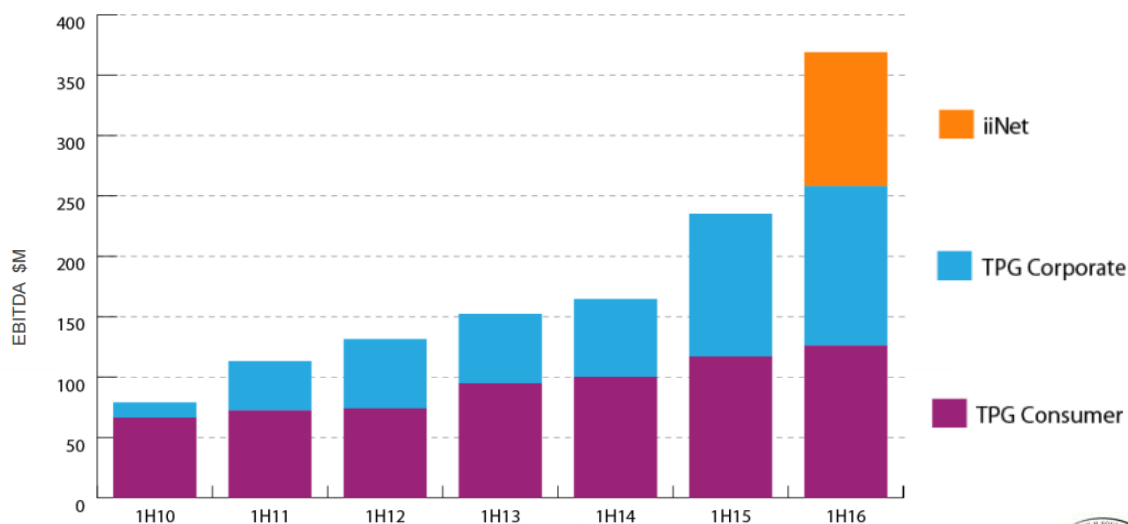


10

For personal use only

TPG Telecom Limited

Historical EBITDA contributions by division



11

Brickworks Limited

Half Year Ended 31 January 2016



Percentage ownership	44.1%
Value of shareholding	\$998m
1H share price performance	2.0%
Contribution to WHSP profit	\$20.0m

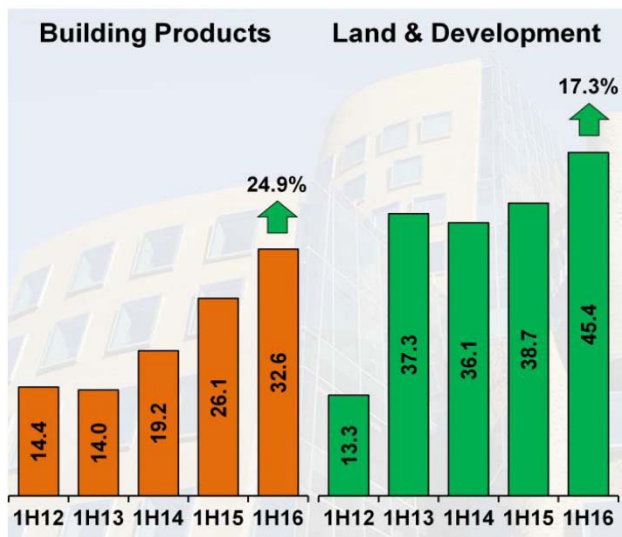
- Net Profit After Tax of \$76.9 million, up 82.2%
- 12 month Total Shareholder Return of 29.3%
- Interim Dividend up 1 cent to 16 cents
- Interim dividend receivable by WHSP \$10.5m



12

Brickworks Limited

Underlying EBIT history by division (\$m)



- Building Products EBIT up 24.9% on record revenue of \$360m
- Land & Development EBIT up 17.3%
- Underlying 1H EBIT across these divisions has increased 180% in 4 years



New Hope Corporation

Half Year Ended 31 January 2016



Percentage ownership	59.7%
Value of shareholding	\$818m
1H share price performance	-13.6%
Contribution to WHSP profit:	
• Regular profit	\$9.0m
• Non-regular expenses	-\$7.3m

- Profit After Tax before non-regular items down 56% to \$15.0m
- Losses from impairments and other non-regular items of \$12.3m after tax
- Interim Dividend of 2 cents per share fully franked, down 50%
- Interim dividend receivable by WHSP \$9.9m



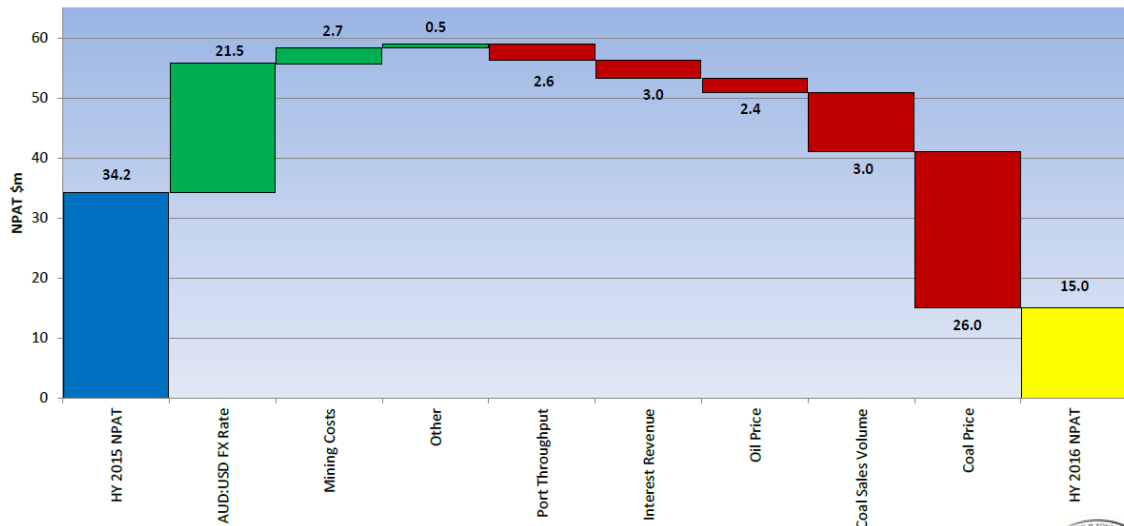
For personal use only

New Hope Corporation

NPAT 1H15 to 1H16 before non-regular items



NEW HOPE GROUP



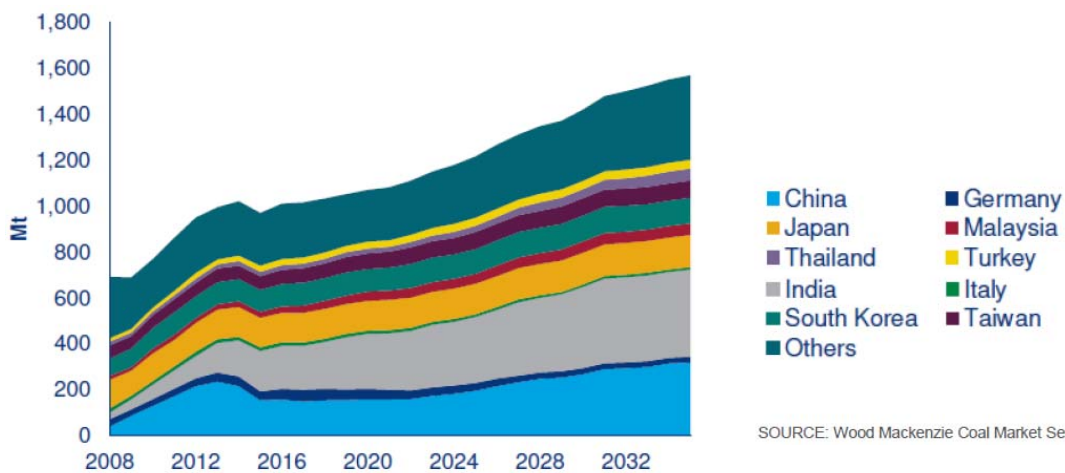
15

New Hope Corporation

Seaborne thermal demand by country



NEW HOPE GROUP



SOURCE: Wood Mackenzie Coal Market Service



16

For personal use only

New Hope Corporation Bengalla acquisition



- 40% interest in Bengalla JV completed on 1 March 2016
- One of the lowest cost coal producers in Australia
- High quality thermal coal for export
- Approvals to mine up to 15mtpa until 2039



Australian Pharmaceutical Industries Year Ended 31 August 2015



Percentage ownership	24.6%
Value of shareholding	\$251m
1H share price performance (to 31 Jan 2016)	31.4%
Contribution to WHSP profit *	\$5.4m

- Revenue for the year was \$3.5b, up 3.3% on FY14
- Profit After Tax of \$43.1m up 37.6% on FY14 underlying profit
- Priceline/Priceline Pharmacy network:
 - 420 stores, an increase of 30
 - Sales growth of 10.4%
 - Like-for-like sales growth of 4.5%
- Final dividend of 2.5 cents per share fully franked, up 28.6% on FY14

* For the 6 months to 31 August 2015



For personal use only

BKI Investment Company

Half Year Ended 31 December 2015



Percentage ownership	10.9%
Value of shareholding	\$104m
1H share price performance (to 31 Jan 2016)	-4.3%
Contribution to WHSP profit	\$2.4m

- Net operating result (before special dividend income) was \$21.4m, up 2.6% on 1H15
- TSR 12 months to 31 December 2015:
 - BKI: 10.9%
 - ASX 300 Accum. Index: 2.8%
- TSR outperformance by BKI:
 - 5 years: 4.6%
 - 7 years: 4.1%
 - 10 years: 2.7%
- Fully franked interim dividend of 3.6 cents per share, up 1.4% on 1H15



19

Ruralco Holdings

Year Ended 30 September 2015



Percentage ownership	20.2%
Value of shareholding	\$53m
1H share price performance (to 31 Jan 2016)	-13.6%
Contribution to WHSP profit *	\$0.7m

- Revenue increased 18% to \$1.6b
- Gross profit increased 19% to \$307m
- Net profit after tax increased 33% to \$14.1m
- Record results in first and second halves despite challenging seasonal conditions
- Final dividend of 7 cents per share

* For the 6 months to 30 September 2015



20

For personal use only

Apex Healthcare Berhad

Year ended 31 December 2015



Percentage ownership	30.3%
Value of shareholding	\$44m
1H share price performance (to 31 Jan 2016)	-19.6%
Contribution to WHSP profit *	\$1.5m

- Revenue of \$176.3m up 3.9%
- Net profit after tax \$13.7 up 18.6%
- Final dividend of 1.9 cents per share (unchanged from FY14)
- Final dividend receivable by WHSP \$0.7m

* For the 6 months to 31 December 2015



21

WHSP Property Portfolio

Half Year Ended 31 January 2016



- Value of property portfolio at 31 January 2016 was \$118.9m (2.2% of total WHSP portfolio)
- The property portfolio increased by \$50m due to acquisitions:
 - Pennant Hills, NSW office buildings \$46.7m; and
 - Land for bus depot development in Sunshine, VIC \$3.3m
- Castle Hill property 15,000m² land with buildings is subject to rezoning



22

For personal use only



Washington H. Soul Pattinson and Company Limited

A Diversified Investment House

