



ASX & MEDIA RELEASE

5 OCTOBER 2006

**BRICKWORKS AND COAL LIFT WASHINGTON H SOUL PATTINSON PROFIT AND DIVIDEND**

<b>FULL YEAR</b>	<b>2006</b>	<b>2005</b>
<b>Revenue (\$M)</b>	<b>909.8</b>	587.9
<b>Net* (\$M)</b>	<b>102.6</b>	96.1
<b>Final div (cents)</b>	<b>16.0</b>	15.0

\* Before non-regular items

- NPAT before non-regular items up 6.7% to \$102.6 million
- Brickworks and New Hope Coal the biggest contributors
- Significant loss from KH Foods
- Final dividend up to 16 cents fully franked, plus special dividend
- Outlook improved as problem operations stabilise

Investment house, Washington H Soul Pattinson and Company Limited (WHSP), has benefited from strong contributions from Brickworks Limited and New Hope Coal to lift profit after tax and before non-regular items 6.7 per cent to \$102.6 million for the year to July 31, 2006.

A large one-off profit in 2005 from New Hope selling its overseas operations meant that profit after tax and non-regular items is not comparable from year to year, reducing from \$405.7 million to \$91.5 million.

Higher profit from continuing operations has enabled directors to lift final dividend to 16 cents fully franked (2005: 15 cents), taking full year dividend to 27 cents (25 cents) fully franked, with a special dividend of 15 cents fully franked, the second instalment from the New Hope operations sale, to be paid at the same time as the final.

While results included strongly positive contributions from Brickworks, New Hope and the share portfolio, these were offset by a significant loss from KH Foods of \$39.5 million, which the board considers "totally unacceptable", and lower profits from several group companies.

Among lower contributions were those from SP Telemedia, Australian Pharmaceutical Industries (API), Clover Corporation and Pitt Capital Partners.

WHSP chairman, Mr Robert Millner, said an overall lift in performance despite some companies not living up to their potential underlined the value of the formula of a varied portfolio of group operations.

"The prospects across the group remain positive and in addressing difficult operational issues in some companies we feel we have stabilised businesses where problems have arisen," Mr Millner said.

"Three group companies have appointed new chief executives, resulting in new business plans and sharpened strategies which we feel have significantly improved the outlook," Mr Millner added.

The diversified operations of Brickworks across building products, land & development and investments have enabled it to lift profit 16.6 per cent to \$101.9 million, despite a building products market downturn which has been the longest since the 1980s.

Offsetting this downturn was a significant profit from land & development, with Brickworks also establishing a joint venture property trust with Macquarie Goodman to own for the long term facilities built on its land.

New Hope Coal lifted profit from continuing Australian operations 29 per cent to \$68.7 million, with its largest mine, New Acland in the Darling Downs, to double capacity from April, with possible further expansion if the nearby Tarong Power station takes up an option for long term coal supply from New Hope.

New Hope has also doubled exploration expenditure, leading to some promising coal prospects, and invested in a coal seam energy business, Arrow Energy, of which it owns 18.85 per cent.

Lower profit of \$8.2 million from SP Telemedia included a few one-off negative items affecting telecommunications results coupled with another improved performance by top rating television station, NBN Television.

Clover's performance was also affected by one off items and it is now positioned to expand its functional food business in soy and omega3 products under a new managing director.

The food business, KH Foods, also has a new managing director driving its turnaround strategy and, with the new Adelaide bakery now operational, the focus is on converting higher sales to bottom line profits as a national strategy is implemented and business stability restored.

Pharmaceutical business, API, has experienced operational difficulties and accounting issues in reporting a 41.4 per cent decrease in profit to \$20.4 million, although directors believe the underlying business is fundamentally sound.

In the 2006 financial year, WHSP has paid out nearly \$100 million or 41 cents a share in dividends and will pay final and special dividends on 4 December to shareholders registered on 2 November.

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

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**About Washington H Soul Pattinson and 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 104 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.*