

Washington H Soul Pattinson and Company Limited

ASX & MEDIA RELEASE

8 OCTOBER 2003

W H SOUL PATTINSON LIFTS FULL YEAR PROFIT AND DIVIDEND

	FY 2003	FY 2002	Change (%)
PROFIT / SALES			
Sales (\$M)*	340.6	334.3	+ 1.9
Profit after tax before non regular items (\$M)	78.7	66.0	+ 19.3
Profit after tax and non regular items (\$M)	88.3	72.7	+ 21.4
CONTRIBUTIONS % After tax and outside equity interests			
Coal	32.3	30.8	+ 4.9
Bricks/Tiles	28.3	20.3	+ 39.4
Investments	15.8	16.5	- 4.2
Pharmaceuticals	7.7	14.7	- 47.6
Media	7.4	11.4	- 35.0
Telecommunications	4.8	2.6	+ 84.6
Other	3.7	3.7	-
DIVIDEND / EPS**			
EPS (cents)	37.0	30.5	+ 21.4
Final Dividend (cents)	10.0	8.0	+ 25.0
Interim Dividend (cents)	7.0	6.0	+ 16.7
Total Dividend (excl. special divs)(cents)	17.0	14.0	+ 21.4

HIGHLIGHTS:

- A 19.3 per cent increase in profit after tax and before non regular items with EPS up 21.4 per cent to 37 cents
- Total dividend, excluding previous specials, up 21.4 per cent
- Dividend income up 51 per cent to \$13 million
- Investment portfolio outperforms the ASX 300 Accumulation Index
- Clover Corporation posts maiden profit and SP Telecommunications declares first dividend
- Adding value to shareholders of Clover, SP Telecommunications and New Hope

WASHINGTON H SOUL PATTINSON		
Full Year	Jul 03(\$m)	Jul 02(\$m)
Sales	340.6	334.3
NPBT	128.8	114.1
NPAT	88.3	72.7
EPS	37.0 cents	30.5 cents
Total Div (excl. specials)	17 cents	14 cents

W H SOUL PATTINSON LIFTS FULL YEAR PROFIT AND DIVIDEND

Investment house, Washington H Soul Pattinson & Company Limited (WHSP) has lifted profit after tax and before non regular items for the year to 31 July 2003 to \$78.7 million, up 19.3 per cent on \$67.0 million the previous year.

Earnings per share rose 21.4 per cent to 37 cents from 30.5 cents and directors have recommended a final dividend of 10.0 cents, lifting full year ordinary dividend fully franked, 21.4 per cent to 17.0 cents from 14.0 cents.

Contributions to profit this year were coal, 32.3 per cent, clay products, 28.3 per cent, investments, 15.8 per cent, pharmaceuticals, 7.7 per cent, media, 7.4 per cent, telecommunications, 4.8 per cent, and others, 3.7 per cent.

Profit after tax and non regular items was up 21.4 per cent to \$88.3 million from \$72.7 million the previous year, with a non regular profit of \$9.6 million arising from the sale of property and shares and receipt of a demerger dividend, while sales increased marginally to \$340.6 million from \$334.3 million in the previous year.

The profit result was driven by higher dividend income from the investment portfolio, continued strength of the coal and telecommunications operations and increased contributions from Brickworks, buoyed by sustained housing commencements, and Clover Corporation, posting its maiden profit in the year ending June 03.

According to Mr Robert Millner, chairman of WHSP, the benefits of the group's investment and management strategy had become more evident as new investments, such as Clover and SP Telecommunications, began returning value to shareholders, with the more established members, Brickworks and New Hope, continuing profit growth.

"In addition to our focus on investments in basic commodities, such as telecommunications, media, bricks, coal and food, we have also been able to add value to these companies from a strategic and management perspective," Mr Millner said.

"In recent years, WHSP has looked to enhance value for our shareholders by giving them the opportunity to participate in the listings of group companies, such as Clover, SP Telecommunications and, more recently, New Hope.

"Those who chose to be involved in this process received shares with a one for ten free option attached and have reaped the rewards this year with pleasing sharemarket performances of both Clover and SP Telecommunications," Mr Millner added.

WHSP has continued its strong dividend paying history, more than doubling ordinary dividends declared over the past six years from 7 cents in 1998 to 17 cents in 2003.

The listed investment portfolio outperformed the ASX 300 Accumulation Index, posting a return, including unrealised gains, of 24.1 per cent compared with 5.9 per cent from the index.

For the year to July 03, dividend income from the portfolio, excluding associates and controlled entities, increased 51 per cent to \$13 million and the consolidated value of the portfolio was \$1.15 billion on 31 July.

In clay products, 49.8 per cent owned Brickworks Limited had a successful year to June, lifting profit after tax 40 per cent and completing its acquisition of Western Australian based Bristle Limited.

Brickworks is now a national clay products business and its performance in 2002-03 benefited from sustained housing commencements, export growth, stable production costs and higher margins and volumes.

Brickworks continued to develop new products and markets, seek production efficiencies and grow related businesses such as waste management and property development, which made their first contributions to profit in the current year, to support long term profit growth.

In coal, New Hope Corporation Limited, owned 69.3 per cent by WHSP at balance date, lifted profit after tax 15.8 per cent despite lower coal prices as Australian and Indonesian coal operations achieved higher coal production and sales.

Increased production and sales combined with operating efficiencies and the group strategy of selling a high proportion of coal under contract to offset lower coal prices and a strengthening Australian dollar.

Production at New Hope's New Acland (Queensland) mine, commenced in October 2002, is already ahead of expectations and is expected to allow New Hope to achieve output of 3 million tones for the calendar year 2003 at lower production costs, despite the phasing out of the Jeebropilly mine and closure of Swanbank.

Two relatively new WHSP exposures, in telecommunications and food ingredients, have established themselves as increasingly important components of group performance and diversity this year.

SP Telecommunications Limited, 56.6 per cent WHSP owned, has established one of the largest regional telecommunications networks in Australia, reaching from Melbourne to Cairns, within three years of operation and in the year to July 03, lifted net profit after tax 161 per cent to \$5.8 million while declaring a maiden final dividend.

Functional foods ingredient company, Clover Corporation Limited, 28.9 per cent WHSP owned, has produced a \$6 million profit turnaround, from a loss of \$5.6 million last year to post a maiden profit in 2003, having benefited from a recent restructure and increased market awareness and penetration of Omega³ DHA.

In media, wholly owned NBN Television recorded a profit of \$5.8 million, down from \$7.5 million last year, due to increased costs from a new affiliation agreement, production and broadcast of local telethons and reduced share of market revenue following the introduction of the new ATR Australia rating system.

However, with the new ratings system putting regional stations on par with those in metropolitan areas, NBN in the last quarter reclaimed its position as the highest rating television station in Australia.

In pharmaceuticals, WHSP's 22.9 per cent owned Australian Pharmaceutical Industries (API), reported a 32.0 per cent decline in profit to \$23.6 million, despite higher revenue, due to a number of one-off expenses although API maintained its full year dividend.

WHSP's outlook for its various businesses is positive and it intends to pursue its conservative investment and management strategy in line with its goal of delivering consistent returns to shareholders.

Final dividend will be paid on 24 November to shareholders registered on 30 October.

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

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For a full copy of this news release, Appendix 4E and Directors' Review of Operations, see www.westbrookfin.com.au