



ASX/Media release

**WHSP reports 56% increase in HY profit to \$149m,
lifts dividend for the 19th consecutive half**

Performance highlights:

	HY to 31 Jan 2017 \$000	HY to 31 Jan 2016 \$000	% Change
Net profit after tax (NPAT)	148,951	95,390	56.1
Regular profit after tax*	139,309	83,575	66.7
Interim Dividend (paid in May each year)	22c	21c	4.8

Thursday, 23 March 2017: Diversified investment house, Washington H. Soul Pattinson and Company Limited (WHSP, ASX: SOL) today announced its half year results ended 31 January 2017, reporting net profit after tax (NPAT) of \$149.0 million for the six months, an increase of 56.1% on the \$95 million recorded for the previous corresponding period.

Regular profit after tax* was a record \$139.3 million for the half year, increasing 66.7% from \$83.6 million for the previous corresponding period. WHSP considers regular profit after tax to be the better indicator of the underlying profit of the Group.

The net increase was attributable to;

- higher regular contributions from six of WHSP's seven major strategic investments, notably;
- New Hope Corporation Limited (up 264.4%) as it capitalised on a recovery in coal prices and its acquisition of an interest in Bengalla;
- TPG Telecom Limited (up 24.6%) with all divisions performing strongly, particularly iiNet; and
- Brickworks Limited (up 31.1%) which enjoyed record sales revenue from its building products business and increased contribution from its land and developments divisions.

WHSP Chairman Rob Millner said: "We are pleased with these results. We have seen most of the companies that WHSP is invested in experience strong earnings growth over the half year period, contributing to the record regular profit of the Group.

"WHSP's diversified portfolio continues to deliver reliable cash returns which enable it to provide increasing fully franked dividends to shareholders."

The Group's net profit on non-regular items for the half year was \$9.6 million (2016: \$11.8 million), consisting mainly of gains on the sale of equity investments by WHSP and recovery of rail access charges by New Hope.

* 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 half year financial report – Note 3, Segment Information.

Interim dividend

For the half year ended 31 January 2017, Directors have declared a fully franked interim dividend of 22 cents per share, an increase of 4.8% over last year's interim dividend of 21 cents per share. This represents the 19th straight year of increased interim dividends.

The record date for the dividend will be 20 April 2017 with payment due on 11 May 2017.

Capital growth over the long term

WHSP is a long-term investor with a focus on providing its shareholders with capital growth and increasing fully franked dividends. WHSP has consistently outperformed the ASX All Ordinaries Accumulation Index over the long-term.

The following chart shows the total return over time of an initial investment made in WHSP shares in February 2002, compared to the ASX All Ordinaries Accumulation Index. An investment in WHSP over the last 15 years has more than doubled an investment in the Index.



Source: IRESS - Includes the re-investment of dividends.

WHSP's wealth creation is even more pronounced over a longer period. If a shareholder had invested \$1,000 40 years ago in 1977 and reinvested all dividends, the shareholding would have appreciated to over \$507,000 as at 31 January 2017. This equates to a compound annual growth rate of 16.8% year on year for 40 years.

Outlook

WHSP Managing Director Todd Barlow said: "The earnings growth and performance across the portfolio has been extremely strong over the first half and we expect most of our investments to carry this performance through for the full year.

"We are always on the lookout for good quality investments at attractive prices which will provide income and capital growth for shareholders over the long term. We have focused on the financial services thematic for some time and have made investments in Pengana Capital, Hunter Hall Global Value and Hunter Hall International in the past six months," he added.

Briefing details:

WHSP will present its results with a Q&A session afterwards today at the Austral Bricks Design Studio, 50 Carrington Street, Sydney (opposite Wynyard Station) – 12.15pm for 12.30pm start. Please note Brickworks will be presenting first.

The briefing will be live streamed at: <http://www.streamgate.co/webcast/brickworks/23-03-17/>

About Washington H. Soul Pattinson and Company Limited

WHSP is Australia's second oldest listed company. Beginning as a chemist shop in Pitt Street, Sydney in 1872, the company listed on the Australian Securities Exchange 30 years later. Since listing, WHSP has paid a dividend every year, including throughout the depression of the 1930s. Today, WHSP is a diversified investor with many investments including: telecommunications, building products, coal, equities, pharmaceuticals, rural services, property, copper and financial services.

WASHINGTON H. SOUL PATTINSON AND COMPANY LIMITED (ASX CODE: SOL)

www.whsp.com.au

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