



**WASHINGTON H SOUL PATTINSON
AND COMPANY LIMITED**

ABN: 49 000 002 728

Level 1, 160 Pitt Street Mall Sydney NSW 2000 Australia

GPO Box 479, Sydney NSW 2001 T: (02) 9232 7166 F: (02) 9235 1747

ASX Announcement - 8 December 2017

Annual General Meeting - 8 December 2017

Attached is the Chairman's address and the Managing Director's presentation which will be delivered at the 2017 Annual General Meeting of the Company later today.

I.D. Bloodworth
Company Secretary



Washington H. Soul Pattinson and Company Limited

Welcome to the 115th Annual General Meeting



Good afternoon Ladies and Gentlemen, my name is Robert Millner, I am the Chairman of Washington H. Soul Pattinson and I would like to welcome you to the 115th Annual General Meeting of the Company.

I am advised that a quorum is present and therefore declare the Meeting open.

Before we proceed I would like to introduce to you the other members of the board:-

Mr. Todd Barlow is our Managing Director.

Mrs. Tiffany Fuller is our new non-executive independent director,

Mr. Michael Hawker – non-executive independent director,

Mr. Tom Millner – non-executive director,

Mr. Warwick Negus – non-executive independent director,

Ms. Melinda Roderick is our Finance Director, and

Mr. Robert Westphal – non-executive independent director.

Mr. Ian Bloodworth is the Company Secretary.

Mr. John Gavljak from the Company's Auditors, is also present.



Washington H. Soul Pattinson and Company Limited

Chairman's Address



Chairman's Address

I would like to thank the representatives from our investee companies who were responsible for the stands in the foyer.

I hope everyone has found the displays informative and has had an opportunity to speak with the representatives.

I propose that the Notice of Meeting dated 3rd November 2017, which was sent to all registered shareholders of the Company be taken as read.

Following my address, Todd will deliver his presentation, after which shareholders will have the opportunity to ask questions.

We will then conduct the formal business of the meeting.

Business Overview



Business Overview

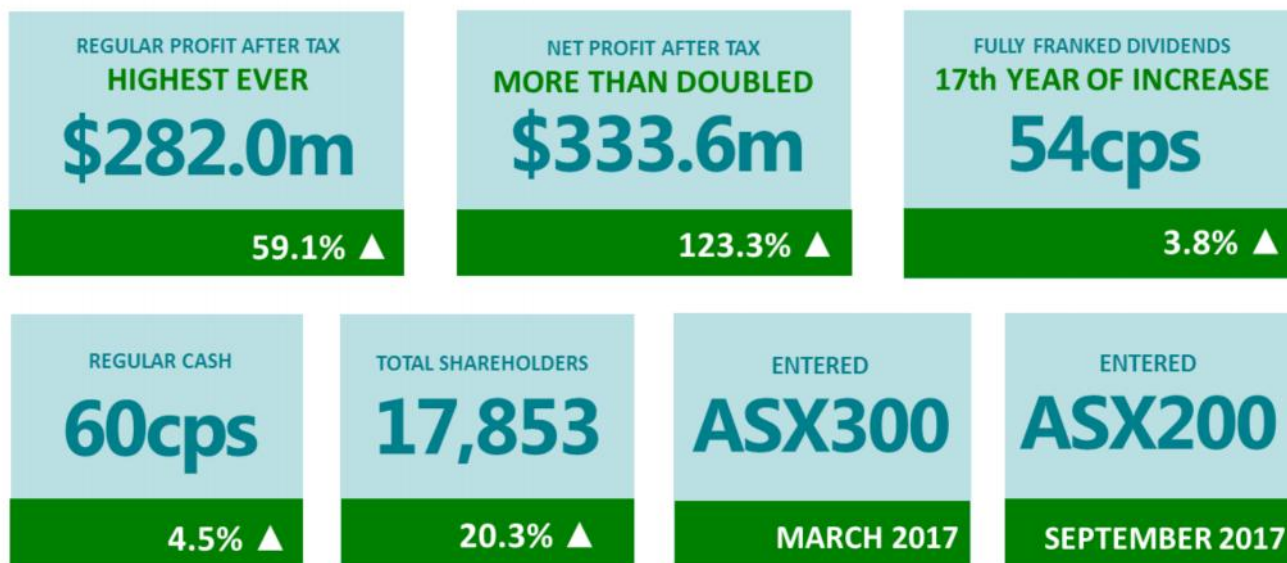
WHSP has a diversified portfolio of major investments as well as listed equities, private equities and direct property.

WHSP is a conservative and value driven investor focused on delivering returns over the long term.

Through this approach, we have achieved the following over the last 15 years:

- Continually increased regular dividends which have grown at a cumulative annual growth rate of 9.4% per year; and
- Delivered a Total Shareholder Return of 12.8% per annum which is an outperformance against the All Ords Accumulation Index of 3.9% per annum.

Key Highlights Year Ended 31 July 2017



Key Highlights Year Ended 31 July 2017

The Group results for the year ended 31 July 2017 were ever pleasing.

We recorded our highest ever Regular Profit, which was up 59% on 2016, and Statutory Profit more than doubled to \$334 million.

The Company has increased its regular dividends for the 17th consecutive year. Total dividends for 2017 are 54 cents, up 3.8%.

Net regular cash from operations increased by 4.5% to 60 cents per share.

We welcomed more than 3,000 new shareholders to the company during the year. This was an increase of 20% to over 17,000.

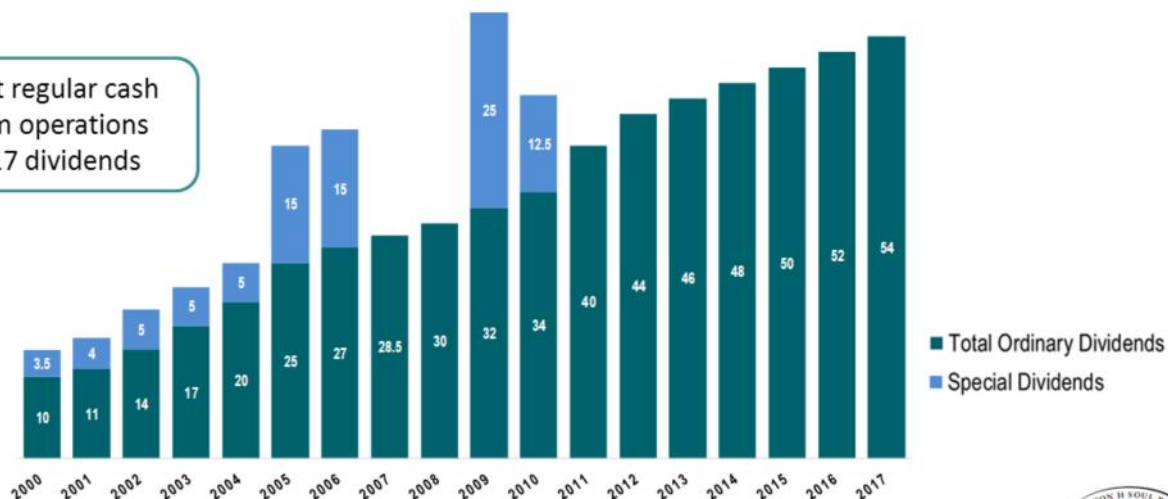
The increased interest in our shares drove higher daily turnover which resulted the Company being admitted to the ASX300 in March and the ASX200 in September.

Dividend History

Final Dividend: 32 cents per share fully franked, up 3.2%

Total Dividends for the year: 54 cents fully franked, up 3.8%

90.0% of net regular cash inflows from operations paid as FY17 dividends



Dividend History

The final dividend this year is 32 cents per share fully franked an increase of 3.2% on last year.

This brings total dividends for the year to 54 cents fully franked an increase of 3.8%.

The record date for the final dividend was 20 November with payment due on Monday of next week.

This continues WHSP's exceptional history of paying dividends to shareholders.

The Company has not missed paying a dividend since listing in 1903 and WHSP is one of only two companies in the All Ords Index to have increased its dividend every year for the last 17 years.

Dividends are declared based on the Company's regular cash inflows less regular operating costs.

This year we will pay out, 90% of the net regular cash inflows from operations.

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

Perpetual Litigation

WHSP and Brickworks successfully defended Perpetual litigation

Federal Court dismissed all allegations and awarded costs

Justice Jagot found that

“Reasonable directors would not consider maintenance of the cross-shareholding to date to be unfair or oppressive. Accordingly, Perpetual’s claim must be rejected’ and

“On any reasonable view of the evidence, the directors of each company have diligently considered the structure of the companies with their obligations to act in the best interests of the company firmly in mind.”

Perpetual litigation

During the year, WHSP and Brickworks successfully defended litigation brought by funds managed by Perpetual Investment Management Limited.

The Federal Court dismissed all allegations made by Perpetual and ordered them pay costs to both WHSP and Brickworks.

Justice Jagot found that the cross-shareholding has not been unfair or oppressive.

She further found that the Directors of both companies had been diligent in their consideration of the structure and had the interests of each company firmly in mind.

I am quoting from Justice Jagot here:

“On any reasonable view of the evidence, the directors of each company have diligently considered the structure of the companies with their obligations to act in the best interests of the company firmly in mind.”

The Court’s decision brought to an end Perpetual’s long period of agitation where your Company was subjected to criticism and attacks, some of which were very personal.

On behalf of WHSP, I thank you for their patience and support.

WHSP is now in a stronger position with an increased number of shareholders, a diverse range of institutional shareholders and increased liquidity.

The Board and management continue to focus on increasing value and growing dividends for all shareholders.

Board of Directors

Mr. David Wills

- Retired 31 October 2017.
- 11 years of dedicated service as a Director.

Mrs. Tiffany Fuller

- Appointed 1 December 2017.

Changes to the Board of Directors

David Wills

Mr. David Wills retired from his position as a Non-executive Director of the Company on 31 October this year.

David joined the Board in 2006 and has served on various Board committees.

He has also represented the Company on the Boards of a number of WHSP's investee companies including Clover Corporation which is listed on the ASX.

David, we wish you good health and happiness in your retirement.

Would you please join the Board and I in thanking David for his significant contribution to the Company over the past 11 years.

Tiffany Fuller

Mrs. Tiffany Fuller joined the Board as a Non-executive Director last week. She was selected with the assistance of an external consulting firm.

Tiffany holds a Bachelor of Commerce Degree from the University of Melbourne and is a member of both Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors.

Tiffany is an experienced public company director with a background in Chartered Accounting, Private Equity and Investment Banking. Her experience includes financial advisory, corporate finance, management consulting and M&A. Tiffany currently serves on the Boards of three other listed Australian companies.

We are delighted to welcome Tiffany to the Board and look forward to her contribution to the continued success of the Company.



Washington H. Soul Pattinson and Company Limited

Managing Director's Presentation



Group Result (Consolidated)

Year Ended 31 July 2017

Group Profit After Tax:	\$333.6m	up 123.3%
Group Regular Profit After Tax*	\$282.0m	up 59.1%
Improved regular contributions across the portfolio, including:	<ul style="list-style-type: none"> ▪ New Hope up 2,412% ▪ TPG up 14.3% ▪ Brickworks up 6.1% ▪ API up 16.8% 	
Net profit from non-regular items	\$51.6m	up \$79.4m

* 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 Preliminary Final Report – Note 3, Segment information.



WHSP Total Shareholder Returns

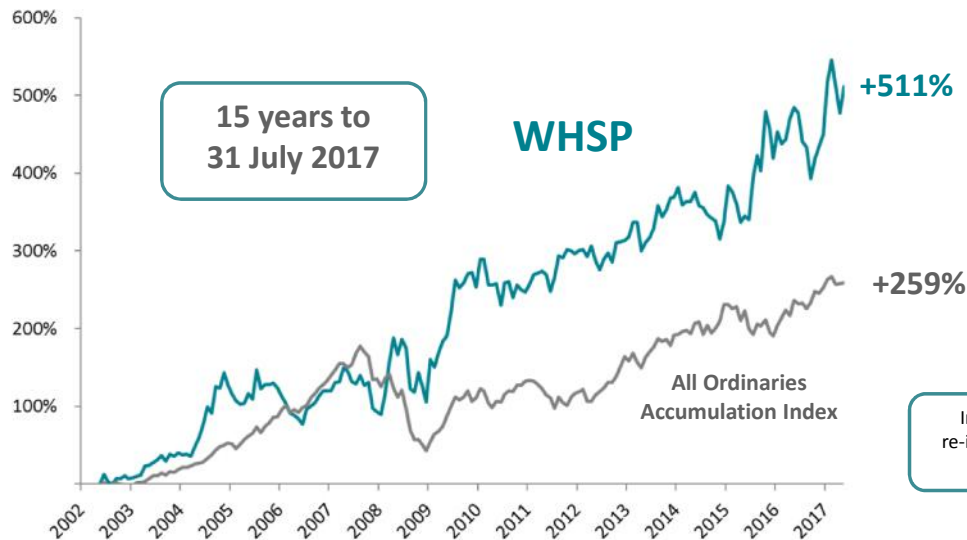
as at 31 July 2017

Annualised Returns	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years
WHSP	4.5%	17.2%	8.8%	9.6%	9.6%	12.8%
All Ord. Accum. Index	6.6%	5.3%	5.3%	10.8%	3.7%	8.9%



WHSP Total Shareholder Returns

15 years to 31 July 2017



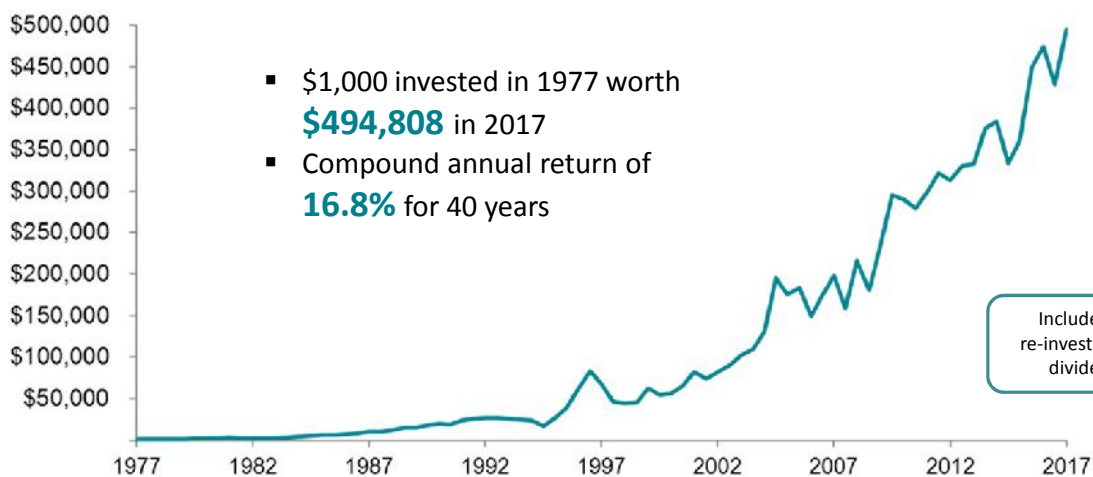
11

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2017 Annual General Meeting



WHSP Total Shareholder Returns

Wealth Creation over 40 years



12

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Recent activity

FY17 and YTD FY18

- Disposed of approximately **\$446m** of assets, including:
 - Sale of 9.6% of New Hope
 - Sale of 5.1% of API
 - Exiting Ruralco
- Purchased approximately **\$323m** of assets, including:
 - TPG equity raise to purchase mobile spectrum
 - Pengana and Hunter Hall (which then merged as PCG)
 - Purchased three new properties (and commenced development)

13

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Portfolio Value As at 30 November 2017

	WHSP's Holding %	Value of Holding \$m
TPG Telecom	25.2%	1,389 *
Brickworks	43.9%	919 *
New Hope Corporation	50.0%	935 *
Financial Services Portfolio	-	400 *^
API	19.3%	143 *
CopperChem and Exco Resources	100.0%	84 ^
Apex	30.3%	60 *
TPI Enterprises	19.3%	36 *
Other Listed Investments		472 *
Other Unlisted Investments		68 ^
Property Portfolio (net of borrowings)		209 ^
Cash and other net assets		251
Net assets value (pre-tax)		4,965

Pre tax net asset value
\$5.0 billion or **\$20.74 per share**

Tax payable if disposed of on
30 November 2017 = **\$921 million**

* Market value

^ Directors' valuation

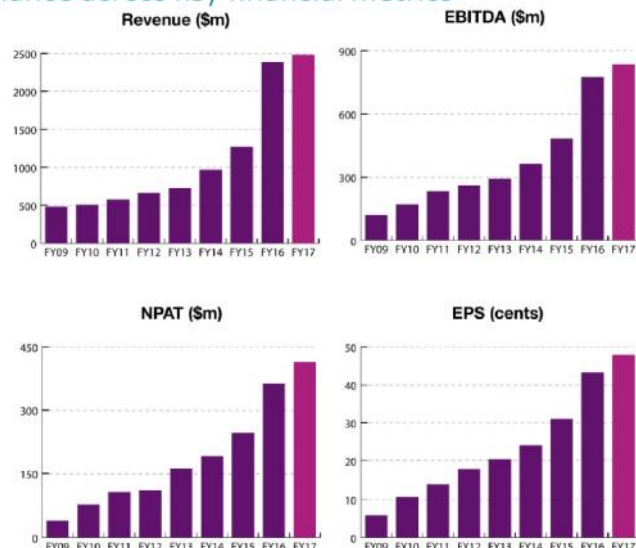
14

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TPG Telecom Limited

9 Year Performance across key financial metrics



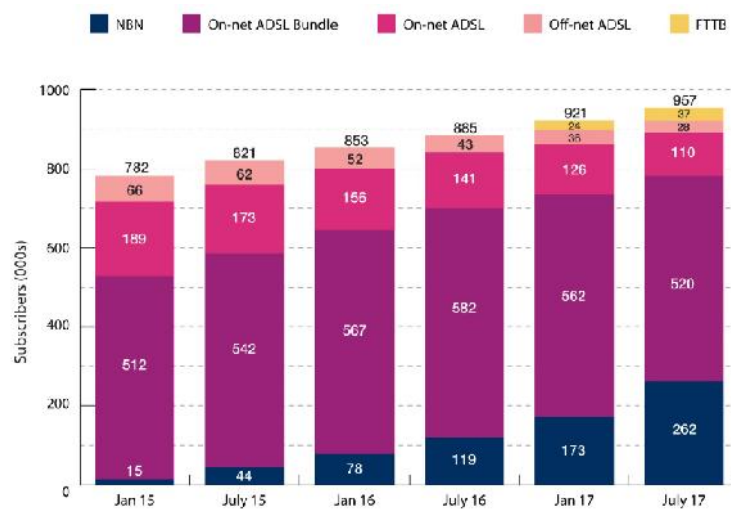
15

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TPG Telecom Limited

Broadband subscribers - migration to NBN



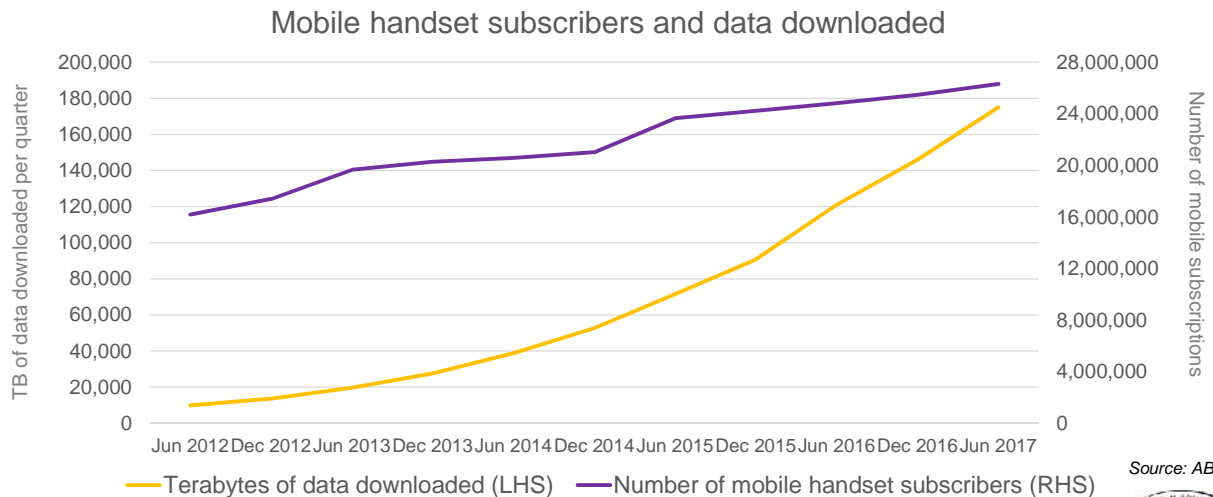
16

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TPG Telecom Limited

Strong growth in data downloads from mobile devices



17

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TPG Telecom Limited

Market leading products



TPG NBN

Satisfied?

Join Australia's **most satisfied** NBN[®] customers.

CHOICE
LANKSHEAR

TPG FTTB

Save on your Broadband

GO ULTRA FAST

FIBRE TO THE BUILDING

UNLIMITED DATA
50 to 100Mbps download speed

\$59 per month
GST INCL. \$1000 NBN DISC. INC.

TPG

TPG ON-NET BROADBAND

Rocketfast
Cable Broadband

Usually \$79.99^{per month}

\$39.99 per month
for the first 12 months

TPG MOBILE

MOBILE

NO LOCK-IN CONTRACT

4GB UNLIMITED CALLS & SMS
to Standard 4G Networks

\$15 per month
for the first 3 months
MIN CHARGE \$35

\$29.99 monthly fee applies after 3 months

TPG

18

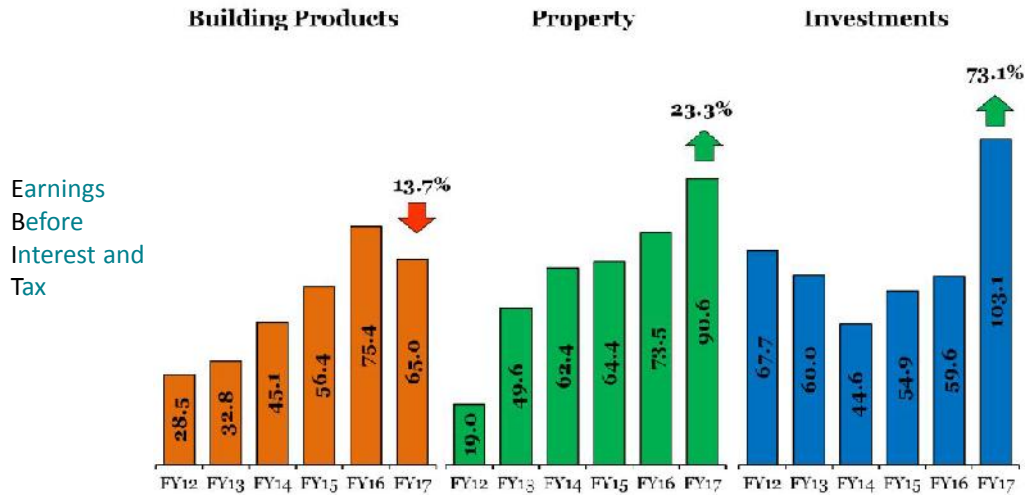
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Brickworks Limited

More than a building products company

BRICKWORKS
LIMITED



19

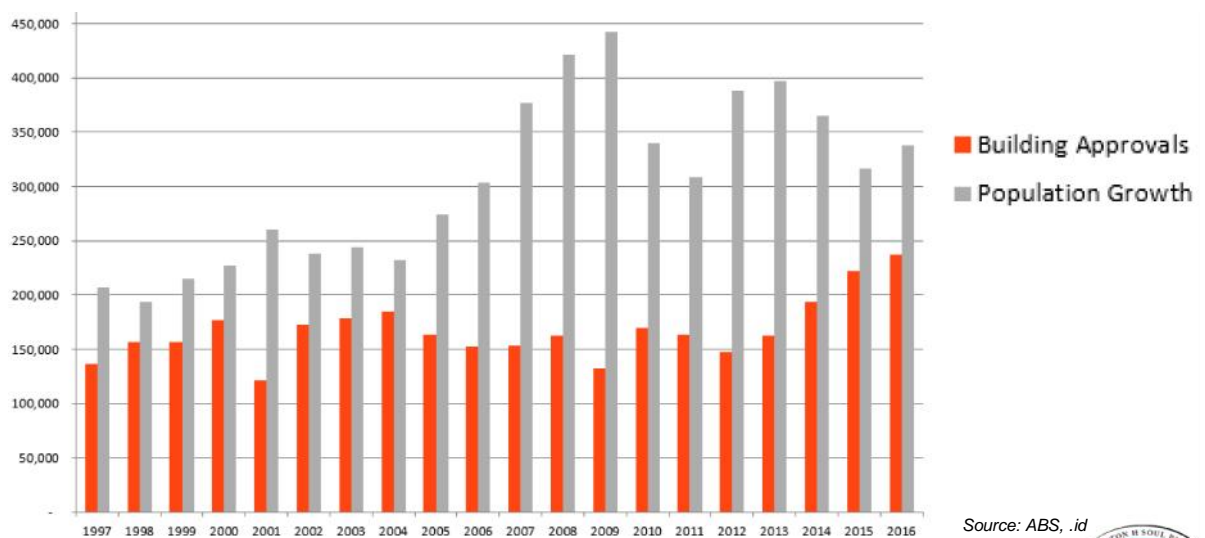
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Brickworks Limited

Australian Building Approvals and population growth

BRICKWORKS
LIMITED



20

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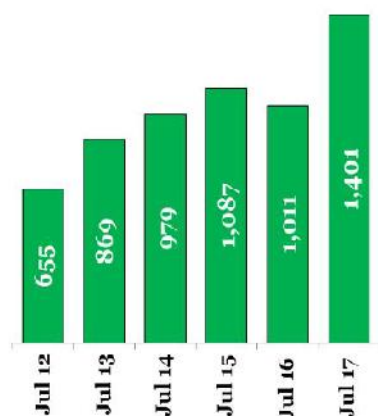


Brickworks Limited

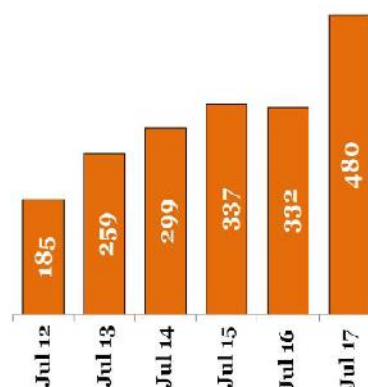
Growing industrial property trust assets

BRICKWORKS
LIMITED

Total Trust Assets (\$m)



Brickworks 50% Equity Value (\$m)



21

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New Hope Corporation Limited

FY17 Highlights



NEW HOPE
GROUP

TOTAL REVENUE

\$844m

59%

EBITDA

\$283m

248%

COAL PRODUCTION

8.6mt

30%

TOTAL DIVIDENDS

10cps

150%

IMPROVEMENT IN
OPERATIONING
COSTS AND SAFETY

ABA100 **WINNER** OF
AUSTRALIAN
BUSINESS AWARD
FOR
SUSTAINABILITY

QLD INDUSTRY
AWARD FOR
HEALTH &
WELLBEING

FULL YEAR OF
OWNERSHIP OF
INTEREST IN
BENGALLA MINE

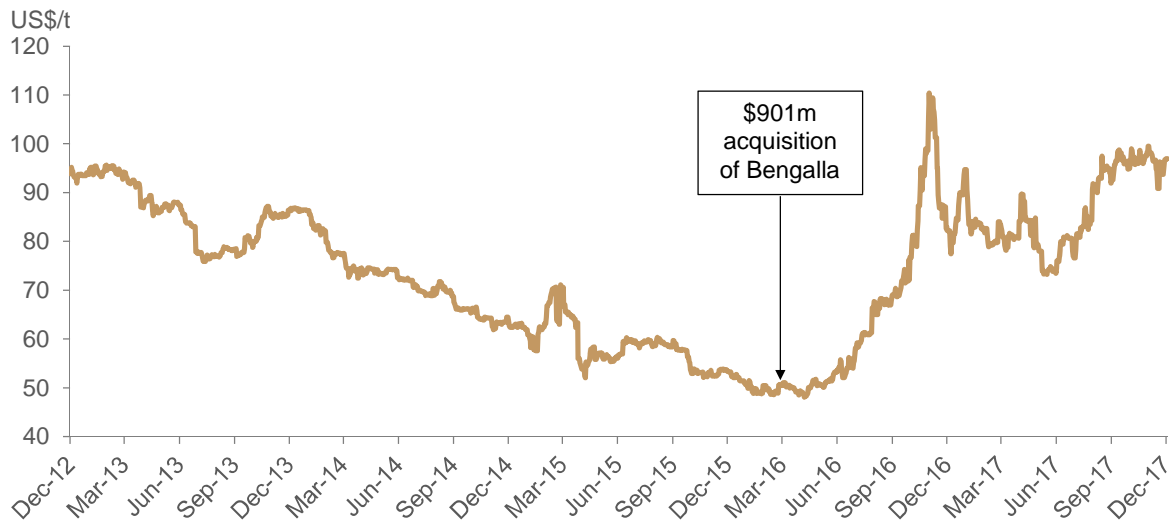
22

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New Hope Corporation Limited

Last 5 years historical coal prices



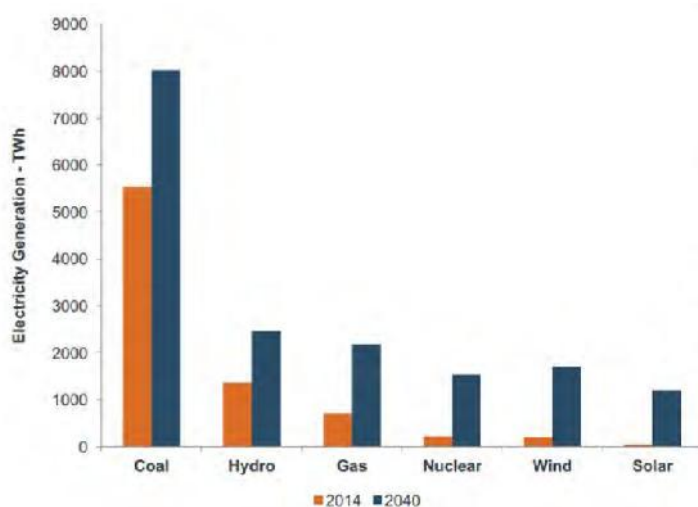
23

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New Hope Corporation Limited

Asia electricity forecast to 2040 by generation source



- Coal-fired power plants in non-OECD Asian countries are projected to increase their output by 2,500 TWh by 2040 - approximately ten times Australia's current total electricity output
- Australia will be a key supplier of high quality coal to these countries that are building HELE power plants

Source: IEA World Energy Outlook 2016, minerals Council of Australia, Presentation to Coalition Resources and Energy Committee 2017

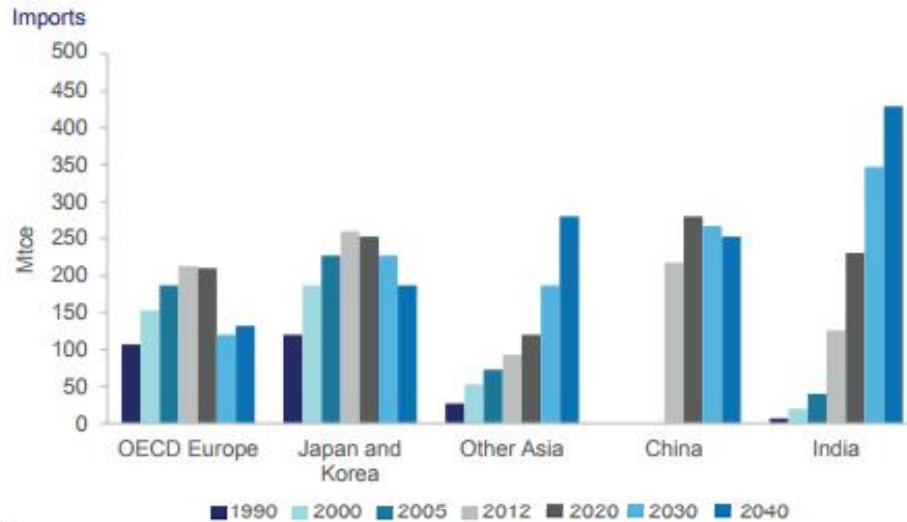
24

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New Hope Corporation Limited

Non-OECD Asia and India driving coal demand



Source: Office of the Chief Economist,
Australian Government (2015) Coal in
India Report

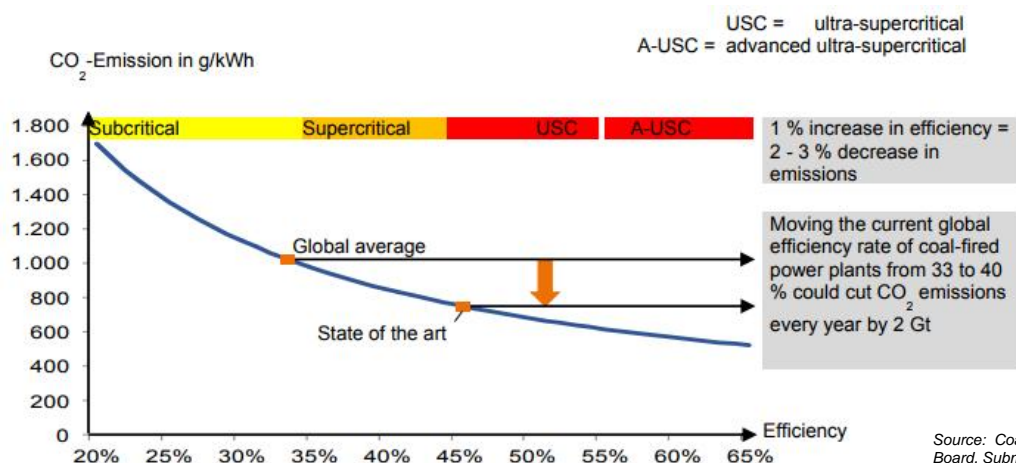
25

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New Hope Corporation Limited

Technology to reduce emissions



Source: Coal Industry Advisory
Board, Submission to IEA for
UNFCCC COP 21

26

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Financial Services Portfolio

Value of Portfolio*	\$400m
FY17 Contribution to WHSP profit	\$13.1m
Dividends paid to WHSP in FY17	\$13.8m



* Markets values and Directors' valuations as at 30 November 2017

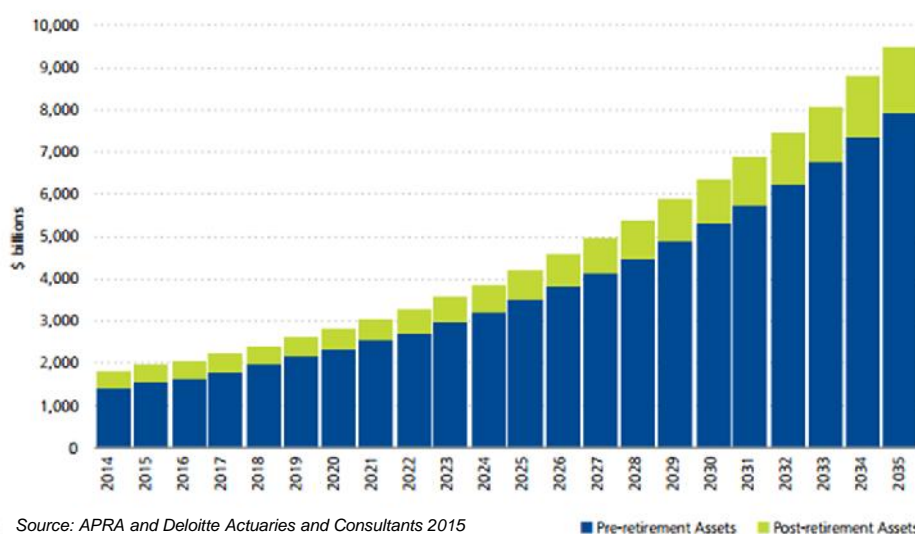
27

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Financial Services Portfolio

Growth in superannuation assets to 2035 in Australia



Source: APRA and Deloitte Actuaries and Consultants 2015

■ Pre-retirement Assets ■ Post-retirement Assets

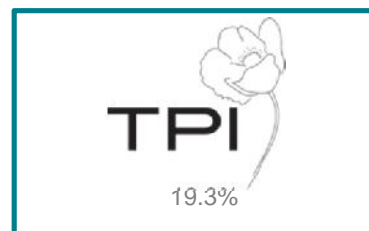
28

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2017 Annual General Meeting



Pharmaceutical Portfolio

Value of Portfolio*	\$239m
FY17 Contribution to WHSP profit	\$15m
Dividends paid to WHSP in FY17	\$10m



* Market values as at 30 November 2017

Investment approach capitalises on our strengths

LOW COST

- Lean head office
- Investments in cost competitive companies
- Discipline on operating costs and investment cost

LONG TERM INVESTOR

- Counter-cyclical investments
- Long term investment themes

ATTRACTIVE CAPITAL PARTNER

- Stable and trusted investment partner
- Assist investments to grow

OPPORTUNISTIC

- Flexible investment approach
- Continuing to look for good opportunities

Washington H. Soul Pattinson and Company Limited

A Diversified Investment House

