

# Washington H. Soul Pattinson and Company Limited

ABN 49 000 002 728

First Floor, 160 Pitt Street Mall, Sydney NSW 2000



## ASX Appendix 4E & Preliminary final report 31 July 2015

Lodged with the ASX under Listing Rule 4.3A

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### **Reporting Period**

The reporting period for this report is the financial year ended 31 July 2015.

The previous corresponding period is the financial year ended 31 July 2014.

## Results for Announcement to the Market

		Current period 31 July 2015 \$'000	Prior period 31 July 2014 \$'000	Change \$'000
Revenue from operations	Down 2.5% to	641,604	658,116	(16,512)
Profit after tax attributable to members (2)	Down 36.7% to	83,330	131,729	(48,399)
Regular profit after tax attributable to members (3)	Up 27.0% to	156,449	123,205	33,244

## Dividends

	Cents per share	Franking %
<b>This period</b>		
1. Final dividend (4)	30.0	100%
2. Interim dividend	20.0	100%
<b>Previous corresponding period</b>		
1. Final dividend	29.0	100%
2. Interim dividend	19.0	100%
Record date for determining entitlement to final dividend:	16 Nov 2015	
Date the final dividend is payable:	7 Dec 2015	

## Comments on above results

- (1) Refer to Chairman's Review and Review of Group Entities for further details on the results.
- (2) The profit after tax attributable to members was \$83.3 million, a decrease of \$48.4 million compared with the previous corresponding period.
- (3) The regular profit after tax attributable to members of \$156.4 million was 27.0% higher than the previous corresponding period. The result was driven by; higher contributions from TPG Telecom Limited; New Hope Corporation Limited and Brickworks Limited; and an improved result from CopperChem Limited.
- 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.
- (4) Final dividend increased by 3.4% to 30 cents per share fully franked.

### **Earnings per share**

	<b>2015</b>	<b>2014</b>
<b>From operations</b>		
Basic Earnings per Share	<b>34.81 cents</b>	55.03 cents
Diluted Earnings per Share	<b>34.81 cents</b>	55.03 cents
From regular profit after tax attributable to members	<b>65.35 cents</b>	51.47 cents

### **Net tangible assets per security**

	<b>2015</b>	<b>2014</b>
Net tangible asset backing per ordinary security	<b>\$12.31</b>	\$12.44

### **Explanation of Profit after tax**

For a further explanation of the year's operating results, please refer to the Chairman's Review and Review of Group Entities.

### **Explanation of Net Profit**

For a further explanation of the year's operating results, please refer to the Chairman's Review and Review of Group Entities.

### **Review of Operations**

For a further explanation of the year's operating results, please refer to the Chairman's Review and Review of Group Entities.



# Washington H. Soul Pattinson and Company Limited

ABN 49 000 002 728

## Year Ended 31 July 2015

### Chairman's Review

#### Dear Shareholders,

I am pleased to present the 2015 Washington H. Soul Pattinson and Company Limited (WHSP, Company) Preliminary Final Report on behalf of the Board of Directors of the Company.

### Consolidated Financial Results

The regular profit after tax\* attributable to shareholders for the year ended 31 July 2015 was \$156.4 million, an increase of 27.0% over the \$123.2 million for 2014. The result was driven by: another strong contribution by TPG Telecom Limited (up 30.5%); a solid operating result by New Hope Corporation Limited in a very difficult market (up 19.8%); Brickworks Limited capitalised on the improving building sector (up 15.2%); Australian Pharmaceutical Industries Limited (API) continued its recent upward trend in profitability (up 24.3%); and an improved operating result from CopperChem Limited.

The profit after tax (including non-regular items) was \$83.3 million, 36.7% lower than the \$131.7 million for last year.

The net loss from non-regular items was \$73.1 million, compared with a profit of \$8.5 million last year.

Comparisons with the prior year are as follows:-

	2015 \$000	2014 \$000	% Change
Regular profit after tax* attributable to shareholders	<b>156,449</b>	123,205	+ 27.0%
Profit after tax attributable to shareholders	<b>83,330</b>	131,729	- 36.7%
Interim Dividend (paid in May each year)	<b>20 cents</b>	19 cents	+ 5.3%
Final Dividend	<b>30 cents</b>	29 cents	+ 3.4%
Total Dividends	<b>50 cents</b>	48 cents	+ 4.2%

\* 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.

## Assets of the Parent Company Washington H. Soul Pattinson and Company Limited

The assets of WHSP are summarised below. The value of these assets at 31 July 2015 was \$5.50 billion an increase of \$318 million or 6.1% compared to \$5.18 billion as at 31 July 2014.

As at 31 July 2015	WHSP's Holding %	Value of WHSP's Holding \$m	12 month Movement	
			\$m	%
Major Strategic Investments - listed (at market value)				
TPG Telecom Limited	26.9%	2,030	852	72.3%
Brickworks Limited	44.2%	978	39	4.2%
New Hope Corporation Limited	59.7%	947	(540)	(36.3%)
Aust. Pharmaceutical Industries Limited	24.6%	191	119	165.0%
BKI Investment Company Limited	11.1%	108	3	3.2%
Ruralco Holdings Limited	20.3%	61	6	11.0%
Apex Healthcare Berhad	30.3%	55	9	19.8%
		<b>4,370</b>	<b>488</b>	<b>12.6%</b>
Other Listed Investments (at market value)		629	35	5.8%
Unlisted Investments <sup>1</sup>		254	(71)	(21.9%)
Property <sup>1</sup>		69	(132)	(65.7%)
Cash and net funds on deposit		154	(8)	(4.8%)
Loans and other assets		23	6	37.9%
Gross value of the portfolio (pre-tax) <sup>2</sup>		<b>5,499</b>	<b>318</b>	<b>6.1%</b>
<sup>1</sup> At Directors' valuations				

<sup>2</sup>The tax payable if all of these assets had been disposed of on 31 July 2015 would have been approximately \$1.10 billion.

The value of the Major Strategic Investments above grew by 12.6% during the year significantly outperforming the ASX All Ordinaries Index which increased by 1.0%.

There were no further investments in the Major Strategic Investments during the year. Acquisitions of other listed investments totalled \$75.3 million and included Insurance Australia Group Limited, Transurban Group, Westfield Corporation, Woolworths Limited and Challenger Limited. Proceeds from disposals totalled \$17.0 million and included ALS Limited and Medibank Private Limited.

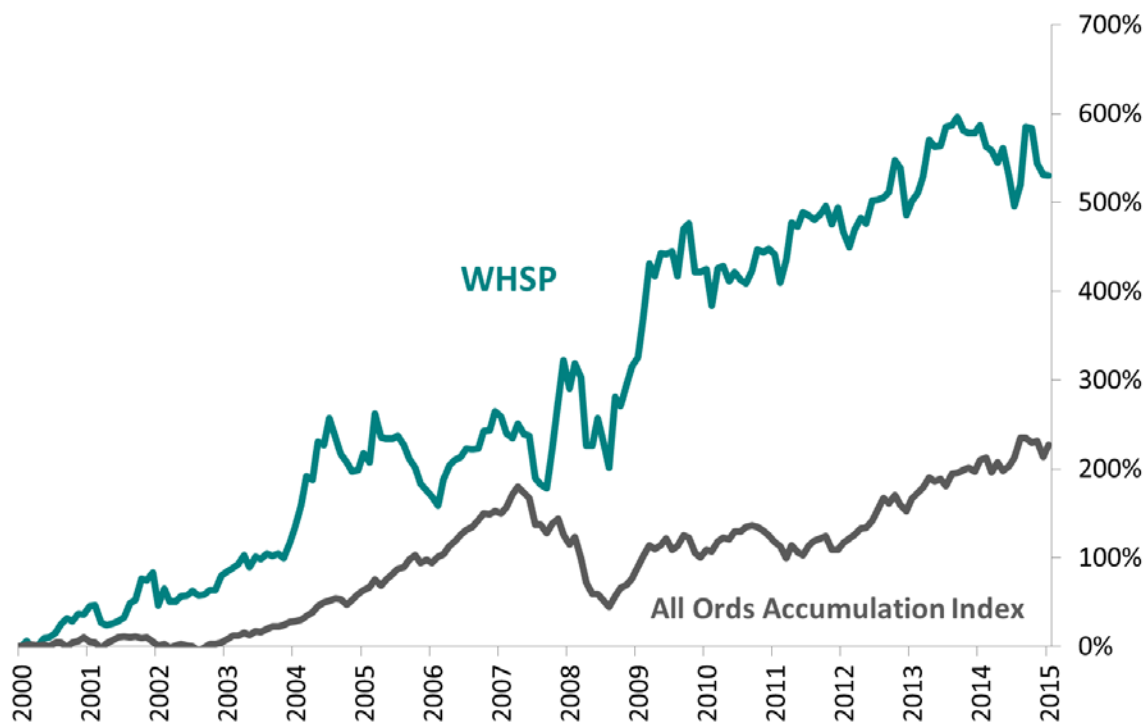
Unlisted investments reduced in value by \$71.2 million, primarily as a result of the impairment of copper assets. The sale of the SRG properties resulted in the property portfolio decreasing in value by \$132.2 million.

WHSP received interest income (from unrelated entities), dividends and distributions of \$166.5 million for the year which was in line with the \$170.2 million received last year.

## Washington H. Soul Pattinson and Company Limited

The following graph shows the total return over time of an initial investment made in WHSP shares in July 2000 assuming that all dividends received are reinvested in WHSP shares. This return is compared to the ASX All Ordinaries Accumulation Index which also includes the reinvestment of dividends.

### 15 Year Total Shareholder Return



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

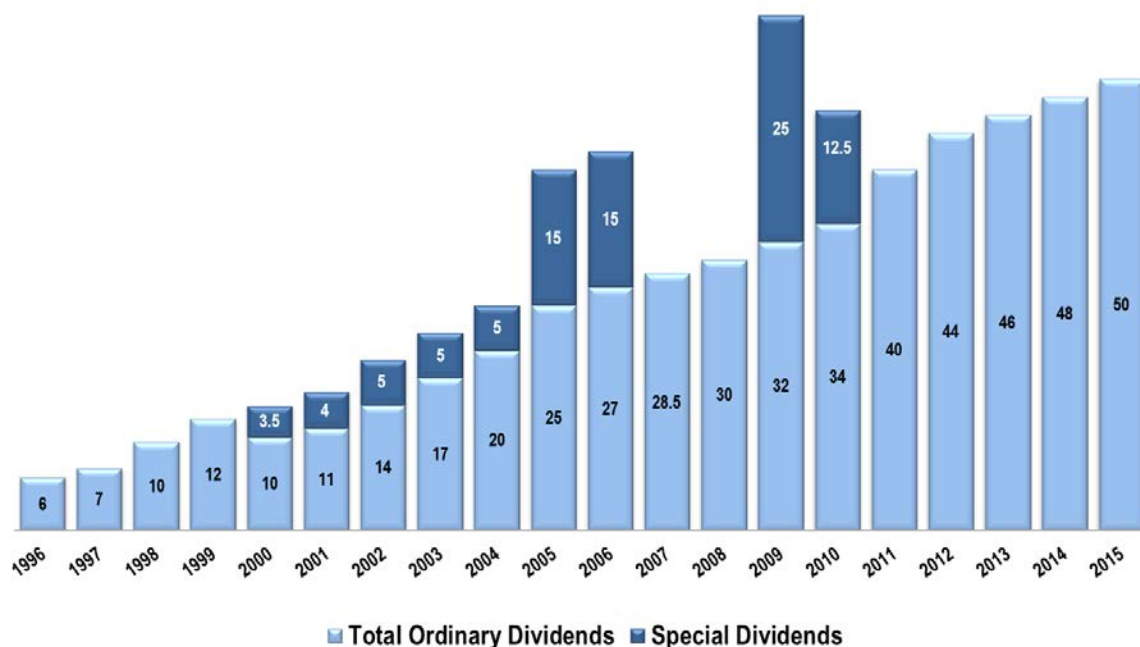
WHSP is a long term investor with its focus on providing its shareholders with capital growth and increasing fully franked dividends. This chart demonstrates WHSP's success in significantly outperforming the ASX All Ordinaries Accumulation Index over the last 15 years.

## Dividends

The chart below demonstrates WHSP's exceptional history of paying dividends to shareholders. The Company has never missed paying a dividend since listing in 1903 (including during the Great Depression of the 1930s and the Global Financial Crisis of 2007-08).

### 20 Year Dividend History

Cents per Share



## Final Dividend

The Directors have declared a fully franked final dividend of 30 cents per share in respect of the year ended 31 July 2015 (2014: 29 cents fully franked). This brings total dividends for the year to 50 cents fully franked (2014: 48 cents fully franked).

The record date for the final dividend will be 16 November 2015 with payment due on 7 December 2015.

The Directors consider the regular profit after tax\* to be the underlying profit of the Group. Accordingly, interim and final dividends are declared and paid based on that profit.

The Company receives dividends and distributions from its investments and interest from funds on deposit. This year it will pay out, as dividends, 87.9% of the ordinary dividends and interest received net of regular operating costs (2014: 81.8%). Property contributed to these inflows with distributions totalling \$23.5 million received from the Australian Logistics Property Fund. WHSP's strong balance sheet and cash flows enable it to continue to deliver reliable cash returns to its shareholders in the form of fully franked dividends.

*\* 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.*

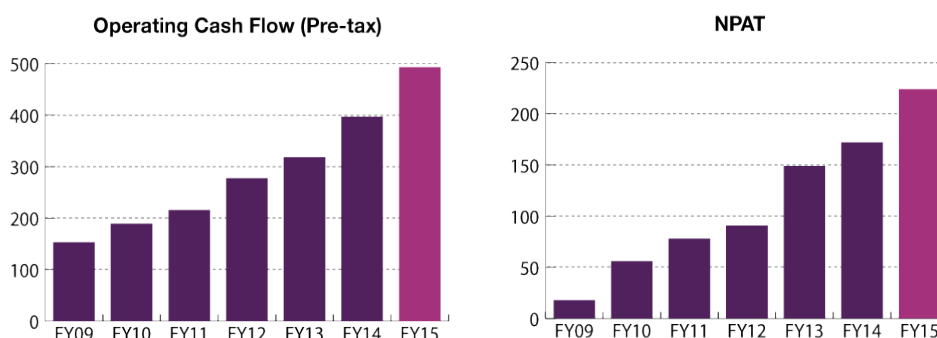
## Review of Group Entities

### Investments - Listed

#### TPG Telecom Limited (TPG) - 26.9% held\*

TPG reported a net profit after tax (NPAT) for the year ended 31 July 2015 of \$224.1 million, an increase of 31% on last year. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 33% to \$484.5 million and earnings per share increased by 31% to 28.2 cents per share.

2015 marks TPG's seventh consecutive year of strong growth.



#### Consumer Business

The consumer division's EBITDA for the year was \$239.7 million with no material irregular items. The \$205.6 million EBITDA for 2014 included \$3.3 million of non-recurring benefits therefore the underlying EBITDA growth for 2015 was \$37.4 million or 18.5%. This was driven by ongoing organic broadband subscriber growth as well as an increase in EBITDA contribution per broadband subscriber.

As at 31 July 2015 the Group had 821,000 broadband subscribers and 320,000 mobile subscribers.

#### Corporate Business

TPG's corporate division achieved an EBITDA of \$242.3 million for the year compared to \$159.0 million for 2014 representing growth of \$83.3 million or 52.4%.

A large component of this EBITDA growth was derived directly from the acquisition of AAPT which contributed for 12 months in 2015 compared to only 5 months in 2014.

TPG has estimated that \$42.5 million of the \$83.3 million EBITDA growth is attributable to organic revenue growth and margin expansion since the acquisition of AAPT.

#### Cash Flow

TPG delivered another strong cash flow result in the 2015 financial year with \$492.8 million of cash being generated from operations (pre-tax). Free cash flow after tax, capital expenditure and interest for the year was \$213.8 million.

This free cash was deployed to; make equity investment in Covata and Amcom of \$115.6 million; make debt repayments of \$21 million; and pay increased dividends to shareholders of \$81.4 million.

#### Acquisition of iiNet

On 7 September 2015 TPG completed its acquisition of the iiNet Group by acquiring all of the share capital in iiNet Limited that it did not already own.

\* Percentage of the issued capital of the company held by the Consolidated Group as at 31 July 2015.



As the change in control occurred subsequent to 31 July 2015 there has been no contribution from iiNet to the TPG's 2015 results.

#### Dividend

In light of TPG's strong cash flow and earnings growth, its board of directors declared an increased final dividend of 6 cents per share fully franked. This brings total dividends for the year to 11.5 cents per share fully franked an increase of 24% over last year.

#### Outlook

TPG anticipates continued organic growth for the 2016 financial year. As only a short period has elapsed since the completion of the acquisition of iiNet, TPG is not yet in a position to forecast with sufficient certainty the likely financial results for the combined group for the 2016 financial year.

TPG contributed a net profit of \$60.2 million to the Group (2014: \$46.2 million).

#### **Brickworks Limited (Brickworks) - 44.2% held\***

Brickworks posted a record underlying net profit after tax (NPAT) for the year ended 31 July 2015 of \$120.3 million, up 18.8% on last year. A feature of this result was the diversified earnings contribution, with Building Products, Land and Development and Investments all delivering an uplift in underlying earnings compared to 2014.

After including the impact of significant items statutory NPAT was down 24.0% to \$78.1 million. The significant items primarily relate to non-cash impairments in Austral Precast and Auswest Timbers, and in New Hope Corporation and CopperChem/Exco (via WHSP).

On record sales revenue of \$700.9 million, Building Products' underlying earnings before interest and tax (EBIT) was \$56.4 million, up 25.0% on the prior year. The improved earnings were driven by a combination of continued sales growth and solid price increases in some divisions.

Land and Development underlying EBIT was \$64.4 million for the year, driven primarily by a strong revaluation profit in the Joint Venture Industrial Property Trust and the sale of the Coles Chilled Distribution Centre.

Brickworks' operating cash flow increased by 14.4% reflecting the higher level of trading and decreased working capital.

The directors of Brickworks have increased the final dividend by 2 cents per share to 30 cents fully franked. Together with the interim dividend of 15 cents per share, this brings the total dividends paid for the year to 45 cents per share, up 3 cents or 7.1% on last year.

#### Building Products

Total dwelling commencements for Australia were up 15.8% to 209,601 for the twelve months to 30 June 2015. This level of residential building activity is the highest on record in Australia, with detached housing activity now three years into a recovery and other residential commencements continuing to record unprecedented growth.

Austral Bricks delivered a 40.5% increase in earnings for the twelve months ended 31 July 2015. Total sales revenue was up 12.7% to \$379.7 million, driven by a 9.7% uplift in sales volume and strong selling price increases in most states. Excluding the impact of Western Australia where pricing was flat, the average selling price was up 6.1% compared to last year.

Austral Masonry delivered another increase in earnings, up 9.6% compared to last year, on record sales revenue of \$87.1 million. Sales volume increased by 4.0%, with strong growth being recorded in north and south-east Queensland.

\* Percentage of the issued capital of the company held by the Consolidated Group as at 31 July 2015.

Bristle Roofing's earnings increased by 19.8% on last year, with sales revenue up 11.0% to \$111.4 million. Higher earnings were driven by strong gains in Queensland and Western Australia, with growth also returning in Victoria following a period of declining earnings in that state.

Austral Precast's revenue was down 5.0% to \$66.4 million on flat sales volumes. Conditions varied across the country with increased sales volume in Victoria and Queensland being offset by declines in New South Wales and Western Australia.

Auswest Timbers' sales revenue increased by 17.2% to \$55.7 million on record sales of around 63,200 cubic metres.

#### Land and Development

Land and Development produced an EBIT before significant items of \$64.4 million for the year, up 3.1% from \$62.4 million last year.

The improved result was primarily due to growth in the Joint Venture Industrial Property Trust (Property Trust) which is a 50/50 partnership between Brickworks and the Goodman Industrial Trust. The Property Trust generated an EBIT of \$61.1million, up 40.8% from \$43.4 million last year.

In July 2015 the Property Trust sold the Coles Chilled Distribution Centre for \$253 million. This price was considerably higher than book value, reflecting a capitalisation rate of 5.7% and generating an EBIT of \$12.1 million.

#### Outlook – Building Products

Current residential building activity is at the highest level on record and continued strong momentum in new building approvals suggests that activity could rise further in the next six months, driven primarily by the major east coast capital cities.

In addition to market driven sales growth, significant success has been achieved in increasing the penetration of Brickworks products in a number of key markets, despite the ongoing competition from alternatives. For example, the use of face brick in high rise residential and commercial developments continues to increase, underpinned by Brickworks' investment in design studios across the country and strong promotional activity to the architectural community.

For further information please refer to Brickworks' announcements to the ASX on 24 September 2015.

Brickworks contributed a net profit of \$19.5 million (2014: \$23.3 million 44.3% held) and a regular profit of \$29.1 million (2014: \$25.2 million 44.3% held) to the Group. These contributions exclude the WHSP profit taken up by Brickworks under the equity accounting method.

#### **New Hope Corporation Limited (New Hope) - 59.7% held\***

New Hope reported a net profit after tax and before non-regular items of \$51.7 million for the year ended 31 July 2015 which was up 24.7% on the 2014 result of \$41.5 million. This comprised: profit of \$26.0 million from coal mining, marketing and logistics operations; loss of \$2.3 million from oil operations; and profit of \$28.0 million from investments.

After non-regular items, the result for the year was a net loss after tax of \$21.8 million. This result comprised: profit of \$9.0 million from coal mining, marketing and logistics operations; loss of \$42.4 million from oil operations; and profit of \$11.6 million from investments. This result was down 137.3% on the 2014 profit of \$58.4 million.

Before non-regular items, basic earnings for 2015 were 6.2 cents per share, compared to 5.0 cents per share in 2014. After non-regular items basic earnings were (2.6) cents per share for 2015 against 7.0 cents in 2014.

\* Percentage of the issued capital of the company held by the Consolidated Group as at 31 July 2015.

New Hope has declared a final dividend of 2.5 cents per share (2014: 2 cents) and a special dividend of 3.5 cents per share (2014: 3.5 cents). Both of these dividends are fully franked.

Compared to the previous corresponding period, the 2015 full year result was affected by:

- lower coal sales volumes, including trade coal sales (down 3.0%);
- lower revenues from continuing operations (down 7.9%);
- improved operational cash flows, up \$24.1 million on 2014 or 37.5%;
- higher clean coal production (up 2.0%);
- lower costs across all operational sites and the corporate office;
- a non-regular impairment on oil producing tenements and the coal to liquids proof of concept plant; and
- improved health and safety performance across all operations.

### Mining Operations

Production for the year was 5.7 million tonnes compared to the 5.6 million tonnes produced during 2014. New Acland and Jeebopilly production was up a combined 2.0% on 2014 production.

Sales for 2015 were 5.8 million tonnes (inclusive of trade coal sales of 0.1 million tonnes), which was below the 6.0 million tonnes sold in 2014 (inclusive of trade coal sales of 0.3 million tonnes).

The New Acland open cut mine produced 5.1 million tonnes of product coal in 2015. This was an increase of 0.2 million tonnes compared to 2014.

### Queensland Bulk Handling (QBH)

QBH, New Hope's 100% owned coal terminal at the Port of Brisbane, exported 7.1 million tonnes of coal on 89 vessels. This result was down on last year by approximately 770,000 tonnes, predominantly caused by the closure of Peabody's Wilkie Creek mine. QBH remains essentially a demurrage free port.

### New Hope Exploration and Development Projects

New Hope continues an active exploration program utilising its two drilling rigs. Exploration activities during 2015 focussed on resource definition in the Bowen Basin and Surat Basin (MDL244 for the revised New Acland Coal Mine Stage 3 Project) as well as Colton in the Maryborough Basin.

### Oil and Gas

Sales revenue for the year was \$11.8 million against prior year of \$14.6 million, a decrease of 19%. The reduction in sales revenue was entirely a consequence of the precipitous drop in oil prices in late 2014/early 2015. These declines in USD oil prices were partially offset by increased production and a decrease in the Australian dollar.

Capital expenditure during the year was \$7.7 million on producing assets and \$3.6 million on exploration assets.

### Outlook

In order to extend the life of the New Acland Mine beyond 2018 New Hope is seeking the required approvals for the New Acland Stage 3 Project. Since the end of the financial year the Department of Environment and Heritage Protection has approved the Environmental Authority for the project. New Hope anticipates that certain groups are likely to lodge objections to the approval decision, with any objections expected to be referred to the Land Court for determination in late 2015.

Operationally, New Hope anticipates that group production for 2016 will be similar to the 2015 year. Rehabilitation work currently underway at the West Moreton operations will continue during 2016.

Acquisition opportunities are being actively investigated by New Hope, with a focus on open cut operations in Australia. The current soft coal market, combined with its strong balance sheet, provides

\* Percentage of the issued capital of the company held by the Consolidated Group as at 31 July 2015.

New Hope with the ability to take advantage of acquisition opportunities which support its long term profitability. Concurrently, New Hope will continue to develop its portfolio of assets, ensuring prudent expenditure continues on exploration and approvals work to allow new projects to be brought on line when market conditions improve.

New Hope contributed a net loss of \$13.0 million (2014: \$34.9 million profit) and a regular profit of \$31.8 million (2014: \$26.6 million) to the Group.

#### **Australian Pharmaceutical Industries Limited (API) - 24.6% held\***

API's financial year ended on 31 August 2015. The results for the full year are not expected to be released to the market until late October 2015.

For the six months ended 28 February 2015, API reported overall revenue of \$1.7 billion, an increase of 3.2% over the first half last year. Net profit after tax (NPAT) was \$21.3 million, up 32.1% on the underlying NPAT of \$16.2 million for the first half last year. API attributed this increase to growth in earnings from its core businesses, a stronger financial position and disciplined cost control.

API reduced its average net debt by \$29.1 million and its net financing costs reduced by 26.7% to \$7 million. Cash generated from operations increased by \$18.4 million or 40% compared to the same period in 2014 and was used to accelerate the repayment of debt.

In June API paid a fully franked interim dividend of 2 cents per share an increase of 33% over last year.

For further information, including definitions of terms used above, please refer to API's announcements to the ASX on 23 April 2015.

WHSP has equity accounted API's result for the 12 months to 28 February 2015. API contributed a net profit of \$11.3 million (2014: \$24.9 million loss) and a regular profit of \$9.2 million (2014: \$7.4 million) to the Group.

#### **BKI Investment Company Limited (BKI) - 11.1% held\***

For the year ended 30 June 2015 BKI reported a net operating result before special dividend income of \$40.9 million, an increase of 13.7% over 2014. Net profit attributable to shareholders increased by 14.8% to \$43.0 million and basic earnings per share before special dividend income increased by 3.5% to 7.4 cents per share.

BKI's improved result was driven by higher dividend distributions from BHP Billiton Limited, Woodside Petroleum Limited, APA Group, Commonwealth Bank of Aust., Transurban Group, Suncorp Group Limited, Westpac Banking Corp., ANZ banking Group Limited, ASX Limited, Wesfarmers Limited and Macquarie Bank Limited.

BKI has paid a fully franked final dividend of 3.65 cents per share, an increase of 4.3%.

WHSP has equity accounted BKI's result for the 12 months to 30 June 2015. BKI contributed a net profit of \$4.8 million to the Group (2014: \$4.5 million 11.8% held).

#### **Ruralco Holdings Limited (Ruralco) – 20.3% held\***

Ruralco's financial year ends on 30 September 2015. Ruralco's results for the full year are not scheduled to be released to the market until 17 November 2015.

Ruralco released its result for the six months to 31 March 2015 on 19 May 2015. Revenue increased by 36.4% to \$742.8 million compared to the previous corresponding period. The net profit after tax was \$10.5 million an increase of 105.6% compared to the first half last year.

\* Percentage of the issued capital of the company held by the Consolidated Group as at 31 July 2015.

An interim dividend of 9 cents per share fully franked was paid on 26 June 2015 (2014: 8 cents per share).

WHSP has equity accounted Ruralco's result for the 12 months to 31 March 2015. Ruralco contributed a net profit of \$3.3 million to the Group (2014: \$1.3 million 20.6% held).

#### **Apex Healthcare Berhad (APEX) – 30.3% held\***

Apex is a manufacturer, distributor and retailer of pharmaceuticals, diagnostic products and equipment, orthopaedics and consumer healthcare products. It has operations in Malaysia, Singapore and Vietnam and is publicly listed on the Main Board of Bursa Malaysia.

For the six months ended 30 June 2015 Apex generated revenue of \$92.2 million, an increase of 9.9% over \$83.9 million for the previous corresponding six month period. Net profit after tax was \$5.3 million, a decrease of \$0.4 million compared to 2014. This result includes losses of \$0.7million from associate Straits Apex Sdn Berhad.

An interim dividend of 1.7 cents per share has been declared for the six months ended 30 June 2015 an increase of 48.7% compared to the prior year's interim dividend.

WHSP has equity accounted Apex's result for the 12 months to 30 June 2015. Apex contributed a net profit of \$3.4 million to the Group (2014: \$3.1 million).

#### **Investments - Unlisted**

##### **CopperChem Limited (CopperChem) – 100% held\***

##### **Exco Resources Limited (Exco) – 100% held\***

CopperChem and Exco are copper and gold exploration companies which have plant that is capable of producing copper sulphate, copper concentrate, and gold bullion.

The completion of the Mt Colin open-cut mine during the year realised production of 359,538 tonnes of ore at 2.59% copper, producing 9,303 tonnes of copper in feed which was 13% above forecast.

The copper price received by CopperChem fell from US\$7,104 per tonne in July 2014 to US\$5,456 per tonne in July 2015, a decrease of 23.2%. In response the copper sulphate production from the solvent extraction (SX) and crystal plants at the Cloncurry Operations has been wound down in preparation for being placed on care and maintenance.

The Cloncurry Operations' copper concentrator remained on care-and-maintenance for the year. Both the copper concentrator and SX/crystal plants remain valuable assets for processing copper ores in the Cloncurry region. CopperChem will review the options of re-starting both facilities, including the option of moving them to one of its project areas, as additional copper resources become available and subject to the prevailing copper price.

Exploration activity is set to ramp up with the drilling of a number of prospective targets in the Cloncurry region.

Revenue from copper sales for the year was \$43.9 million driving a much improved operational result. However, earnings were below forecast as a direct result of the drop in the copper price. Unfortunately the price reduction corresponded with the sale of the highest tonnage and grade of ore from the Mt Colin open-cut mine.

The lower copper price also resulted in the carrying values of plant and mining and exploration assets being impaired under accounting standards.

\* Percentage of the issued capital of the company held by the Consolidated Group as at 31 July 2015.

CopperChem and Exco contributed a net loss of \$67.2 million to the Group (2014: \$40.8 million loss) of which non-regular expenses (including impairments) totalled \$59.6 million (2014: \$11.5 million loss).

**TPI Enterprises Limited (TPI) – 19.4% held\***

Founded in 2004, TPI is an Australian company with operations in Tasmania, Victoria and Portugal. It is one of only eight companies worldwide which hold licences to manufacture narcotic raw material from which pain relievers such as morphine, Panadeine and Panadeine Forte are produced.

During the year TPI:

- raised \$36.5 million in equity (\$7 million contributed by WHSP) to pay down debt, relocate the manufacturing facility and fund European expansion;
- relocated its manufacturing facility from Cressy, Tasmania to expanded premises in Melbourne, Victoria providing significant cost savings and access to a broader market for raw materials;
- established a facility in Portugal to store and export raw material resulting in TPI being the only company with northern and southern hemisphere growing capacity; and
- contracted new growing areas in Australia and Europe to ensure long term sustainability for the supply of raw materials to meet its customer's requirements.

TPI was admitted to the official list of the ASX on 13 August 2015 and trades under the code TPE. TPI released its results for the half year to 30 June 2015 showing a loss of \$8.6 million which was primarily driven by a lack of production due to the relocation of the manufacturing facility. TPI has commenced the commissioning of the facility in Victoria and will be in production in 2016.

WHSP is TPI's largest shareholder, holding 19.4% of its issued capital. WHSP's investment in TPI is classified as an investment in an associated company.

WHSP has equity accounted TPI's result for the 12 months to June 2015. TPI contributed a net loss of \$4.4 million to the Group (2014: nil).

**Ampcontrol Pty. Limited (Ampcontrol) - 43.3% held\***

Ampcontrol is a leading international supplier of electrical and electronic products with a strong presence in providing products and services to the mining, construction and renewables sectors. It has approximately 700 staff with operations across Australia and overseas including; Hong Kong, Botswana, Russia, and the United Kingdom.

In response to the fall in coal and other commodity prices the business has been significantly downsized during the year with certain operations closed, real estate exited and staffing reduced in order to right size the business for the expected revenue levels going forward.

Ampcontrol's revenue for the year ended 30 June 2015 was \$177.8 million compared to \$229.4 million for 2014. Normalised (excluding significant items) earnings before interest, tax, depreciation and amortisation were \$13.4 million for the year. The net loss for the year, including significant items, was \$19.6 million.

WHSP has equity accounted Ampcontrol's result for the 12 months to June 2015. Ampcontrol contributed a net loss of \$8.5 million to the Group (2014: \$1.3 million profit).

**Pitt Capital Partners Limited (PCP) - 100% held\***

PCP is a corporate advisory firm specialising in mergers, strategic advice, equity capital markets, private equity, restructuring and debt advisory work.

PCP owns 75% of Pitt Street Real Estate Partners Pty. Limited (PSREP) which is focused on identifying and managing investments in the real estate sector. PSREP also manages the property assets of WHSP

\* Percentage of the issued capital of the company held by the Consolidated Group as at 31 July 2015.

which are discussed below.

For the year ended 31 July 2015, PCP's net profit after tax was up 108% compared to the previous year due to increased corporate finance earnings and real estate advisory fees.

PCP contributed a net profit of \$4.4 million to the Group (2014: \$2.2 million).

## **Property**

In prior years WHSP purchased land and financed the construction of two distribution centres, one at Erskine Park in New South Wales which was completed in December 2013 and the other at Brendale in Queensland which was completed in November 2014. In November 2014, the two assets were sold for a total consideration of \$153 million. The projects generated a net profit before tax of \$26 million for the WHSP Group (including PSREP and PCP). Of this, \$17 million was taken up in the 2014 year as a revaluation gain.

WHSP is continuing to investigate the potential rezoning of a four hectare land parcel with 15,000 square metres of warehouse and 5,000 square metres of office space located in Castle Hill which was purchased in early 2014. The area was announced as an Urban Activation Precinct, now known as Priority Precinct by the New South Wales Department of Planning in August of 2014.

Investment property operations contributed a net profit of \$4.4 million to the Group (2014: \$11.3 million).

## **Litigation**

In October 2013, entities acting on the directions of M.H. Carnegie & Co. Pty. Limited (Carnegie) and Perpetual Investment Management Limited (Perpetual) called a general meeting of Brickworks Limited (Brickworks).

Brickworks commenced proceedings against Carnegie and Perpetual in the Federal Court in connection with the meeting and Carnegie and Perpetual served cross-claims against both Brickworks and WHSP. The meeting has since been cancelled and Brickworks have terminated their proceedings against Carnegie and Perpetual.

Carnegie has terminated its cross-claims against Brickworks and WHSP but Perpetual is proceeding with its cross-claims which seek to have the cross shareholding between WHSP and Brickworks unwound. WHSP is vigorously defending Perpetual's cross-claim.

\* Percentage of the issued capital of the company held by the Consolidated Group as at 31 July 2015.

**Washington H. Soul Pattinson and Company Limited**  
**Year ended 31 July 2015**

**Consolidated Income Statement**  
**For the year ended 31 July 2015**

	Notes	2015 \$'000	2014 \$'000
<b>Revenue from continuing operations</b>	4(i)	<b>641,604</b>	658,116
Other income	4(i)	<b>4,504</b>	63,970
Cost of sales		<b>(365,121)</b>	(415,135)
Selling and distribution expenses		<b>(142,627)</b>	(139,572)
Administration expenses		<b>(39,381)</b>	(49,343)
Other expenses		<b>(8,591)</b>	(6,900)
Impairment (expense)/reversal	4(i) & 8	<b>(123,801)</b>	21,374
Finance costs		<b>(3,063)</b>	(3,549)
Share of results from equity accounted associates	8	<b>95,079</b>	56,018
<b>Profit before income tax</b>		<b>58,603</b>	184,979
Income tax benefit/(expense)	4(ii)	<b>16,951</b>	(29,391)
<b>Profit after tax for the year</b>		<b>75,554</b>	155,588
Loss/(profit) after tax attributable to non-controlling interest		<b>7,776</b>	(23,859)
<b>Profit after tax attributable to members of Washington H. Soul Pattinson and Company Limited</b>		<b>83,330</b>	131,729

*The above consolidated income statement should be read in conjunction with the accompanying notes.*



**Washington H. Soul Pattinson and Company Limited**  
**Year ended 31 July 2015**

**Consolidated Statement of Comprehensive Income**  
**For the year ended 31 July 2015**

	2015 \$'000	2014 \$'000
<b>Profit after tax for the year</b>	<b>75,554</b>	<b>155,588</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to income statement</b>		
Net movement in the fair value of long term equity investments, net of tax	8,411	70,244
Transfer to profit and loss on disposal of long term equity investments, net of tax	(3,950)	(14,227)
Net movement in hedge reserve, net of tax	(14,139)	27,773
Net movement in foreign currency translation reserve, net of tax	627	1,957
Net movement in equity reserve, net of tax	(3,593)	(3,832)
<b>Total other comprehensive (expense)/income for the year, net of tax</b>	<b>(12,644)</b>	<b>81,915</b>
<b>Total comprehensive income for the year</b>	<b>62,910</b>	<b>237,503</b>
Total comprehensive expense/(income) attributable to non-controlling interest	16,091	(36,959)
<b>Total comprehensive income attributable to members of Washington H. Soul Pattinson and Company Limited</b>	<b>79,001</b>	<b>200,544</b>

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

<b>Earnings per share</b>	<b>2015 Cents</b>	<b>2014 Cents</b>
Basic and diluted earnings per share to ordinary equity holders of the company		
<b>Earnings per share from operations</b>	<b>34.81</b>	<b>55.03</b>
	<b>No. of shares</b>	
Weighted average number of shares used in calculating basic and diluted earnings per share	<b>239,395,320</b>	<b>239,395,320</b>

**Washington H. Soul Pattinson and Company Limited**  
**Year ended 31 July 2015**

**Consolidated Statement of Financial Position**  
**As at 31 July 2015**

	31 July 2015 \$'000	31 July 2014 \$'000
<b>Current assets</b>		
Cash and cash equivalents	59,424	64,933
Term deposits	1,217,011	1,272,912
Trade and other receivables	74,979	85,900
Inventories	72,870	72,959
Investments fair valued through profit and loss	21,300	14,695
Held for sale financial assets	-	27,183
Current tax asset	-	3,693
Other assets	369	271
<b>Total current assets</b>	<b>1,445,953</b>	<b>1,542,546</b>
<b>Non-current assets</b>		
Trade and other receivables	4,299	13,308
Equity accounted associates	1,088,592	944,726
Long term equity investments	615,645	562,208
Other financial assets	5,425	7,659
Derivative financial instruments	-	2,447
Property, plant and equipment	581,626	701,526
Investment properties	20,720	139,421
Exploration and evaluation assets	410,908	388,210
Deferred tax assets	59,309	37,483
Intangible assets	20,538	26,847
<b>Total non-current assets</b>	<b>2,807,062</b>	<b>2,823,835</b>
<b>Total assets</b>	<b>4,253,015</b>	<b>4,366,381</b>
<b>Current liabilities</b>		
Trade and other payables	49,329	74,679
Interest bearing liabilities	47,347	44,829
Derivative financial instruments	23,144	4,943
Current tax liabilities	4,903	61
Provisions	36,675	32,132
<b>Total current liabilities</b>	<b>161,398</b>	<b>156,644</b>
<b>Non-current liabilities</b>		
Interest bearing liabilities	104	45,425
Deferred tax liabilities	253,042	265,840
Provisions	64,036	58,347
<b>Total non-current liabilities</b>	<b>317,182</b>	<b>369,612</b>
<b>Total liabilities</b>	<b>478,580</b>	<b>526,256</b>
<b>Net assets</b>	<b>3,774,435</b>	<b>3,840,125</b>
<b>Equity</b>		
Share capital	43,232	43,232
Reserves	661,279	665,424
Retained profits	2,322,067	2,334,728
Parent entity interest	3,026,578	3,043,384
Non-controlling interest	747,857	796,741
<b>Total equity</b>	<b>3,774,435</b>	<b>3,840,125</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Changes in Equity For the year ended 31 July 2015

Year ended 31 July 2015	Share capital \$'000	Retained profits \$'000	Reserves \$'000	Total parent entity interest \$'000	Non-controlling interest \$'000	Total \$'000
<b>Total equity at the beginning of the year 1 August 2014</b>	<b>43,232</b>	<b>2,334,728</b>	<b>665,424</b>	<b>3,043,384</b>	<b>796,741</b>	<b>3,840,125</b>
<b>Net profit for the year after tax</b>	-	<b>83,330</b>	-	<b>83,330</b>	<b>(7,776)</b>	<b>75,554</b>
<b>Other comprehensive income for the year</b>						
Net movement in asset revaluation reserve, net of tax	-	-	<b>6,495</b>	<b>6,495</b>	<b>(2,034)</b>	<b>4,461</b>
Net movement in hedge reserve, net of tax	-	-	<b>(7,858)</b>	<b>(7,858)</b>	<b>(6,281)</b>	<b>(14,139)</b>
Net movement in foreign currency translation reserve, net of tax	-	-	<b>627</b>	<b>627</b>	-	<b>627</b>
Net movement in equity reserve, net of tax	-	-	<b>(3,593)</b>	<b>(3,593)</b>	-	<b>(3,593)</b>
<b>Total comprehensive income for the year</b>	-	<b>83,330</b>	<b>(4,329)</b>	<b>79,001</b>	<b>(16,091)</b>	<b>62,910</b>
<b>Transactions with owners</b>						
Dividends declared and paid	-	<b>(95,126)</b>	-	<b>(95,126)</b>	<b>(33,892)</b>	<b>(129,018)</b>
Net movement in share based payments reserve	-	<b>(865)</b>	<b>184</b>	<b>(681)</b>	<b>800</b>	<b>119</b>
Non-controlling interests share of subsidiaries	-	-	-	-	<b>(26)</b>	<b>(26)</b>
Equity transfer from members on issue of share capital in controlled entity	-	-	-	-	<b>325</b>	<b>325</b>
<b>Total equity at the end of the year 31 July 2015</b>	<b>43,232</b>	<b>2,322,067</b>	<b>661,279</b>	<b>3,026,578</b>	<b>747,857</b>	<b>3,774,435</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Changes in Equity For the year ended 31 July 2015

Year ended 31 July 2014	Share capital \$'000	Retained profits \$'000	Reserves \$'000	Total parent entity interest \$'000	Non-controlling interest \$'000	Total \$'000
<b>Total equity at the beginning of the year 1 August 2013</b>	43,232	2,295,642	597,249	2,936,123	813,898	<b>3,750,021</b>
<b>Net profit for the year after tax</b>	-	131,729	-	131,729	23,859	<b>155,588</b>
<b>Other comprehensive income for the year</b>						
Net movement in asset revaluation reserve, net of tax	-	-	54,386	54,386	1,631	<b>56,017</b>
Net movement in hedge reserve, net of tax	-	-	16,304	16,304	11,469	<b>27,773</b>
Net movement in foreign currency translation reserve, net of tax	-	-	1,957	1,957	-	<b>1,957</b>
Net movement in equity reserve, net of tax	-	-	(3,832)	(3,832)	-	<b>(3,832)</b>
<b>Total comprehensive income for the year</b>	-	<b>131,729</b>	<b>68,815</b>	<b>200,544</b>	<b>36,959</b>	<b>237,503</b>
<b>Transactions with owners</b>						
Dividends declared and paid	-	(91,185)	-	(91,185)	(54,097)	<b>(145,282)</b>
Net movement in share based payments reserve	-	563	(640)	(77)	(1,003)	<b>(1,080)</b>
Non-controlling interests share of subsidiaries	-	-	-	-	(2,814)	<b>(2,814)</b>
Equity transfer from members on issue of share capital in controlled entity	-	(2,021)	-	(2,021)	3,798	<b>1,777</b>
<b>Total equity at the end of the year 31 July 2014</b>	<b>43,232</b>	<b>2,334,728</b>	<b>665,424</b>	<b>3,043,384</b>	<b>796,741</b>	<b>3,840,125</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2015**

	2015	2014
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers inclusive of GST	592,947	595,627
Payments to suppliers and employees inclusive of GST	(502,923)	(526,459)
	90,024	69,168
Dividends received	94,648	82,148
Interest received	46,393	51,682
Finance costs	(1,438)	(1,444)
Income taxes paid	(6,937)	(25,965)
<b>Net cash inflow from operating activities</b>	<b>222,690</b>	<b>175,589</b>
<b>Cash flows from investing activities</b>		
Payment for property, plant, equipment and intangibles	(77,430)	(121,854)
Proceeds from sale of property, plant and equipment	336	504
Payments for exploration and evaluation activities	(60,350)	(42,722)
Net proceeds from term deposits	52,933	225,357
Payments for investments	(80,905)	(29,419)
Payments for acquisition and development of investment properties	(31,204)	(62,433)
Proceeds from sale of investment properties	153,069	-
Proceeds from sale of long term equity investments	29,222	42,028
Payments to acquire equity accounted associates	(5,014)	(34,982)
Loans advanced	(17,843)	(11,859)
Loan repayments received	3,554	6,624
Proceeds from sale of non-current assets	-	23,000
<b>Net cash (outflow) from investing activities</b>	<b>(33,632)</b>	<b>(5,756)</b>
<b>Cash flows from financing activities</b>		
Joint venture partner contributions	-	108
Dividends paid to WHSP shareholders	(117,304)	(112,516)
Dividends paid by subsidiaries to non-controlling interest	(33,891)	(54,097)
Proceeds/(payments) for interest bearing liabilities	1,238	(6,081)
Payment on close out of interest rate swap	(2,112)	-
Proceeds from external borrowings	11,572	40,886
Repayment of external borrowings	(56,951)	(121)
<b>Net cash (outflow) from financing activities</b>	<b>(197,448)</b>	<b>(131,821)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(8,390)</b>	<b>38,012</b>
Cash and cash equivalents at the beginning of the year	64,933	28,078
Effects of exchange rate changes on cash and cash equivalents	2,881	(1,157)
<b>Cash and cash equivalents at the end of the year</b>	<b>59,424</b>	<b>64,933</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## **Notes to the Consolidated Financial Statements**

### **1. Basis of Preparation**

This preliminary financial report for the year ended 31 July 2015 has been prepared in accordance with Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

This report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this report be read in conjunction with the annual financial report for the year ended 31 July 2014 and any public announcements made by Washington H. Soul Pattinson and Company Limited and its controlled entities ("Consolidated entity" or "Group") during the reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies are consistent with those of the previous financial year.

Comparative information has been re-classified where appropriate to enhance comparability (refer note 5)

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 July 2015 reporting period. The Group has elected not to early adopt these standards and interpretations. The Group is currently determining what impact these standards and interpretations will have on the amounts recognised in the financial statements.

This preliminary report was authorised by the directors on 24th September 2015.

## Notes to the Consolidated Financial Statements

### 2. Parent Company information

The Board declares dividends having regard to regular operating cash flows before non-regular items. The following information has been provided to demonstrate the underlying value of the Parent company's investments and the regular profit and cash flows generated by them.

Regular profit after tax is a measure of the Parent company's performance. This measurement excludes the effects of non-regular items of income and expense which by nature are outside the ordinary course of business or are part of ordinary operations but are unusual due to their size.

The classification of income and expenses as regular or non-regular is consistent with the consolidated entity's measurement of segment results.

#### Accounting policies – Parent company

The statement of financial position, profit after tax and total comprehensive income for the Parent company, have been prepared on the same basis as the consolidated financial statements except for Investments in controlled entities (subsidiaries) and Investments in associates.

In the Parent company, investments in subsidiaries and associates are carried at the lower of cost or impaired cost. Dividends from these entities are recognised as income within profit. This approach reflects WHSP's activities as an investor.

The consolidated financial statements recognises the individual assets, liabilities, income and expenses of the controlled entities. Associates are equity accounted, with the initial investment being increased/(decreased) by profits/(losses) recognised in the income statement, movements in other comprehensive income and decreased by dividends received. Dividends from both controlled entities and associates are not recognised in the consolidated income statement.

<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>As at 31 July 2015</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	
<b>Current assets</b>			①
Cash and term deposits	165,855	166,583	
Other current assets	46,300	27,044	
<b>Total current assets</b>	<b>212,155</b>	<b>193,627</b>	②
<b>Non-current assets</b>			
Long term equity investments - measured at market value	608,030	560,324	
<b>Other financial assets</b>			
– Listed controlled and associated entities - measured at the lower of cost or impaired value	526,002	433,426	③
– Unlisted entities - measured at the lower of cost or impaired value	297,410	348,951	
Other non-current assets	115,309	148,080	
<b>Total non-current assets</b>	<b>1,546,751</b>	<b>1,490,781</b>	
<b>Total assets</b>	<b>1,758,906</b>	<b>1,684,408</b>	
<b>Total current liabilities</b>	<b>48,676</b>	<b>46,819</b>	
<b>Total non-current liabilities</b>	<b>107,359</b>	<b>81,836</b>	
<b>Total liabilities</b>	<b>156,035</b>	<b>128,655</b>	
<b>Net assets</b>	<b>1,602,871</b>	<b>1,555,753</b>	
<b>Equity</b>			
Share capital	43,232	43,232	
Reserves	610,339	611,117	
Retained profits	949,300	901,404	
<b>Total Equity</b>	<b>1,602,871</b>	<b>1,555,753</b>	
<b>Profit after tax</b>	<b>165,200</b>	<b>174,016</b>	
<b>Less: Non-regular items after tax</b>			
Special dividends received from New Hope	(17,349)	(24,785)	
Net gain on disposal of investments	(1,595)	(18,910)	
Net impairment (reversal)/expense on investments	(14,837)	9,450	
Deferred taxes transferred in	-	(3,090)	
Other expenses	229	885	
<b>Regular profit after tax</b>	<b>131,648</b>	<b>137,566</b>	④
<b>Other comprehensive income</b>			
Net movement in the fair value of the listed investment portfolio	(776)	42,551	

## Notes to the Consolidated Financial Statements

### 2. Parent Company information (continued)

As at 31 July 2015		31 July 2015 \$'000	<b>REGULAR PROFIT AFTER TAX AND REGULAR OPERATING CASH FLOWS</b>		2015 \$'000
①	Cash and term deposits	165,855	Interest income		7,413
②	Market value of listed investments as at 31 July 2015 (based on ASX closing prices 31 July 2015)		Dividend and distribution income	\$'000	
	<b>Long term equity investments</b>	<b>\$'000</b>	Milton Corporation Limited	6,147	
	Milton Corporation Limited	161,580	Commonwealth Bank of Australia	3,274	
	Commonwealth Bank of Australia	68,919	BHP Billiton Limited	2,222	
	BHP Billiton Limited	41,047	National Australia Bank Limited	1,598	
	National Australia Bank Limited	30,311	Perpetual Limited	1,288	
	Perpetual Limited	27,499	Lindsay Australia Limited	937	
	Lindsay Australia Limited	24,709	Telstra Corporation Limited	1,130	
	Telstra Corporation Limited	24,441	Wesfarmers Limited	1,091	
	Wesfarmers Limited	21,280	Bank of Queensland Limited	1,050	
	Bank of Queensland Limited	20,618	Brambles Limited	445	
	Brambles Limited	17,621	Other listed entities	6,284	
	Other listed entities	170,005			
	<b>Market value of long term equity investments</b>	<b>608,030</b>	TPG Telecom Limited	21,874	
			Brickworks Limited	28,227	
			New Hope Corporation Limited	29,742	
			Australian Pharmaceutical Industries	4,809	
			BKI Limited	4,353	
			Ruralco Holdings Limited	2,711	
			Apex Healthcare Berhad	1,155	
			Clover Limited	236	
			Unlisted controlled and associates	23,500	
			<b>Total dividend and distribution income</b>	<b>142,073</b>	
			<b>Net pharmacy profit</b>	<b>1,457</b>	
			<b>Other revenue</b>	<b>826</b>	
			<b>Fair value losses on equities</b>	<b>(6,018)</b>	
			<b>Other expenses</b>	<b>(6,271)</b>	
			<b>Finance costs</b>	<b>(1,592)</b>	
			<b>Regular profit before tax</b>	<b>137,888</b>	
			<b>Income tax (expense)</b>	<b>(6,240)</b>	
			<b>Regular profit after tax</b>	<b>131,648</b>	
			Non-cash fair value losses on equities	6,018	
			Net movements in working capital	(1,462)	
			<b>Regular operating cash flows</b>	<b>136,204</b>	
			The Board declares dividends having regard to the Parent company's regular operating cash flows.		
			<b>Dividends paid/payable</b>		
			- Interim of 20 cents per share paid 14 May 2015	47,879	
			- Final of 30 cents per share payable 7 December 2015	71,819	
			<b>Total dividends paid/payable</b>	<b>119,698</b>	
			<b>Payout ratio</b>		
			Dividends as a percentage of regular operating cash flows		87.9%
③	<b>Listed controlled and associated entities</b>	<b>Holding</b>			
	TPG Telecom Limited	26.9%	2,029,441		
	Brickworks Limited	44.2%	978,113		
	New Hope Corporation Limited	59.7%	946,780		
	Australian Pharmaceutical Industries	24.6%	191,142		
	BKI Limited	11.1%	108,371		
	Ruralco Holdings Limited	20.3%	60,921		
	Apex Healthcare Berhad	30.3%	55,364		
	Clover Limited	28.6%	8,017		
	<b>Market value of listed controlled and associated entities</b>		<b>4,378,149</b>		
	<b>Total market value of WHSP's listed investments</b>		<b>4,986,179</b>		
	<b>Tax payable if WHSP's listed investments were disposed of:</b>				
	WHSP is a long term equity investor.				
	If WHSP had disposed of its listed investments on 31 July 2015, a capital gains tax liability of approximately \$1.188 billion would have arisen based on market values as at 31 July 2015.				
④					



## **Notes to the Consolidated Financial Statements**

### **3. Segment Information**

#### **How the group is organised - Corporate structure**

The Parent entity invests in a diversified range of companies. Larger holdings in a single entity are classified as follows:

<b>Controlled entities: (subsidiaries)</b>	The Parent entity is able to control the activities of the organisation.
<b>Associates:</b>	The Parent entity has significant influence but does not control the activities of the organisation.

#### **How the Group is managed - Segment reporting**

The Parent entity, its subsidiaries and associates operate within five segments. Segments are based on product and service type and are predominately based in Australia.

The level of ownership determines the extent to which the parent entity is able to manage the underlying operations of its investment. The Group is managed by operating segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as comprising the Board and the Chief Executive Officer.

As the Chief Operating Decision Maker is not regularly provided with the operating results from the listed associates (material contributors to reported profit) these associates are included within the Investing activities segment except for Syndicated Metals Limited, which is included within the Copper and gold operations segment. Results for listed associates are sourced from publicly available information. Unlisted associates are considered not to be material contributors to the group. These have been included within the segment as disclosed in the following diagram below:

The Group's operating segments are described as:

#### *Investing activities*

The Group invests in cash, term deposits, and equity investments.

#### *Energy*

The Group engages in coal, oil and gas activities which include exploration, development, production, processing, associated transport infrastructure and ancillary activities.

#### *Copper and Gold operations*

The Group engages in copper and gold mining activities which includes exploration, mining and processing of ore into copper concentrate, copper sulphide and gold.

#### *Corporate advisory*

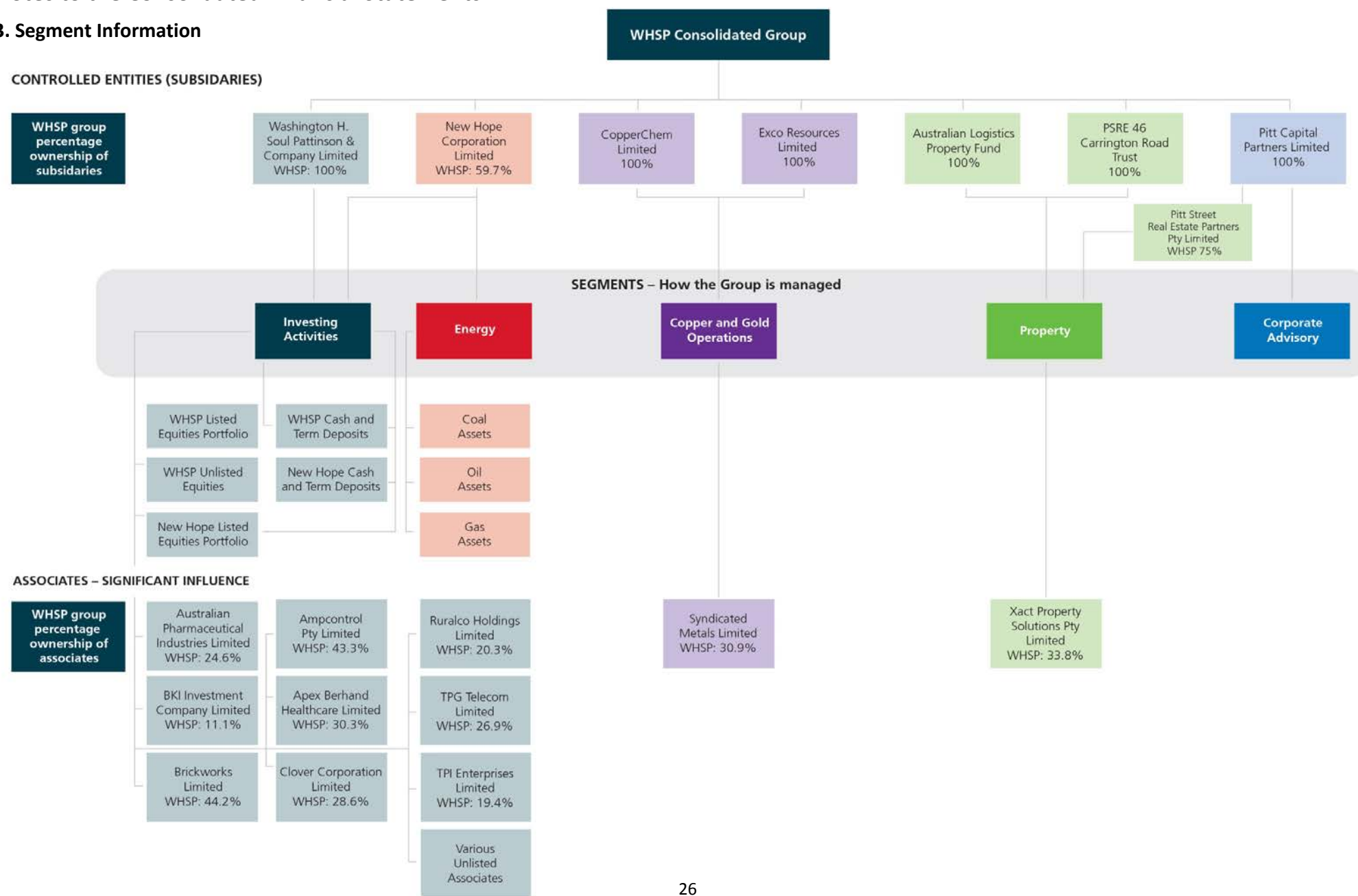
The Group provides corporate advisory services.

#### *Property*

The Group engages in property investment activities including the identification and management of real estate to be held, sold or developed to earn rental income or capital appreciation, or both.

## Notes to the Consolidated Financial Statements

### 3. Segment Information



## **Notes to the Consolidated Financial Statements**

### **3. Segment Information (continued)**

#### **Business performance**

##### **Measurement of Segment results**

Segment performance is measured by regular profit and regular profit after tax attributable to members. These results are non-statutory profit measures and represent profit from continuing operations before non-regular items. The measurement basis in general, excludes the effects of non-regular items of income and expense which by nature are outside the ordinary course of business or part of ordinary activities but are unusual due to their size.

Regular profit after tax attributable to members is the main measure of segment profit. A reconciliation between regular profit after tax attributable to members and profit after tax is set out in note 3a. The Directors have presented this information which is used by the Chief Operating Decision Maker, as they consider the disclosure enhances the understanding of the results to members and users of the financial statements. Non-regular items are disclosed in note 3b.

The allocation of income and expense items between regular and non-regular profit is consistent with the prior year. Transactions between business segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transactions between business segments. These transfers are eliminated on consolidation.

**Washington H. Soul Pattinson and Company Limited**  
**Year ended 31 July 2015**

**Notes to the Consolidated Financial Statements**

**3. Segment Information (continued)**

**a) Reporting segments**

**Year ended 31 July 2015**

	Investing activities \$'000	Energy \$'000	Copper and gold operations \$'000	Corporate advisory \$'000	Property \$'000	Intersegment / unallocated \$'000	Consolidated \$'000
Revenue from external customers	108,679	465,420	51,636	1,949	2,290	11,630	641,604
Intersegment revenue	37,758	-	-	6,152	2,100	(46,010)	-
<b>Total revenue</b>	<b>146,437</b>	<b>465,420</b>	<b>51,636</b>	<b>8,101</b>	<b>4,390</b>	<b>(34,380)</b>	<b>641,604</b>
<b>Regular profit/(loss) before income tax</b>	<b>203,334</b>	<b>31,546</b>	<b>(9,967)</b>	<b>4,866</b>	<b>9,251</b>	<b>(41,897)</b>	<b>197,133</b>
Non-regular items before tax (note 3b)	29,913	(79,880)	(88,563)	-	-	-	(138,530)
<b>Profit/(loss) before income tax</b>	<b>233,247</b>	<b>(48,334)</b>	<b>(98,530)</b>	<b>4,866</b>	<b>9,251</b>	<b>(41,897)</b>	<b>58,603</b>
Less income tax benefit/(expense)	(28,773)	14,898	24,884	(296)	(831)	7,069	16,951
<b>Profit/(loss) after tax</b>	<b>204,474</b>	<b>(33,436)</b>	<b>(73,646)</b>	<b>4,570</b>	<b>8,420</b>	<b>(34,828)</b>	<b>75,554</b>
Less loss/(profit) attributable to non-controlling interests	(4,687)	13,493	-	-	(1,030)	-	7,776
<b>Profit/(loss) after tax attributable to members</b>	<b>199,787</b>	<b>(19,943)</b>	<b>(73,646)</b>	<b>4,570</b>	<b>7,390</b>	<b>(34,828)</b>	<b>83,330</b>
<b>Profit/(loss) after tax attributable to members (as above)</b>	<b>199,787</b>	<b>(19,943)</b>	<b>(73,646)</b>	<b>4,570</b>	<b>7,390</b>	<b>(34,828)</b>	<b>83,330</b>
Non-regular loss/(profit) after tax attributable to members (note 3b)	(25,604)	35,066	63,657	-	-	-	73,119
<b>Regular profit/(loss) after tax attributable to members</b>	<b>174,183</b>	<b>15,123</b>	<b>(9,989)</b>	<b>4,570</b>	<b>7,390</b>	<b>(34,828)</b>	<b>156,449</b>

**Profit/(loss) before income tax includes the following items:**

Interest revenue	43,803	230	11	163	109	-	44,316
Interest (expense)	(1,595)	(1)	(825)	-	(642)	-	(3,063)
Depreciation and amortisation (expense)	(2,267)	(61,181)	(16,675)	(16)	(104)	-	(80,243)
Impairment (expense)/reversal	42,189	(79,880)	(86,110)	-	-	-	(123,801)
Share of results from equity accounted associates	90,122	-	(249)	-	3,156	2,050	95,079

**Washington H. Soul Pattinson and Company Limited**  
**Year ended 31 July 2015**

**Notes to the Consolidated Financial Statements**

**3. Segment Information (continued)**

**a) Reporting segments**

**Year ended 31 July 2014**

	Investing activities \$'000	Energy \$'000	Copper and gold operations \$'000	Corporate advisory \$'000	Property \$'000	Intersegment / unallocated \$'000	Consolidated \$'000
Revenue from external customers	108,876	508,210	23,728	2,241	3,723	11,338	658,116
Intersegment revenue	23,151	-	-	3,059	-	(26,210)	-
<b>Total revenue</b>	<b>132,027</b>	<b>508,210</b>	<b>23,728</b>	<b>5,300</b>	<b>3,723</b>	<b>(14,872)</b>	<b>658,116</b>
<b>Regular profit/(loss) before income tax</b>	<b>177,676</b>	<b>19,043</b>	<b>(33,077)</b>	<b>3,903</b>	<b>19,036</b>	<b>(26,146)</b>	<b>160,435</b>
Non-regular items before tax (note 3b)	40,452	(4,365)	(11,543)	-	-	-	24,544
<b>Profit/(loss) before income tax</b>	<b>218,128</b>	<b>14,678</b>	<b>(44,620)</b>	<b>3,903</b>	<b>19,036</b>	<b>(26,146)</b>	<b>184,979</b>
Less income tax (expense)/benefit	(23,820)	(479)	1,937	(1,318)	(5,711)	-	(29,391)
<b>Profit/(loss) after tax</b>	<b>194,308</b>	<b>14,199</b>	<b>(42,683)</b>	<b>2,585</b>	<b>13,325</b>	<b>(26,146)</b>	<b>155,588</b>
Less (profit) attributable to non-controlling interests	(17,712)	(5,727)	-	(420)	-	-	(23,859)
<b>Profit/(loss) after tax attributable to members</b>	<b>176,596</b>	<b>8,472</b>	<b>(42,683)</b>	<b>2,165</b>	<b>13,325</b>	<b>(26,146)</b>	<b>131,729</b>
<b>Profit/(loss) after tax attributable to members (as above)</b>	<b>176,596</b>	<b>8,472</b>	<b>(42,683)</b>	<b>2,165</b>	<b>13,325</b>	<b>(26,146)</b>	<b>131,729</b>
Non-regular (profit)/loss after tax attributable to members (note 3b)	(21,889)	1,822	11,543	-	-	-	(8,524)
<b>Regular profit/(loss) after tax attributable to members</b>	<b>154,707</b>	<b>10,294</b>	<b>(31,140)</b>	<b>2,165</b>	<b>13,325</b>	<b>(26,146)</b>	<b>123,205</b>

**Profit/(loss) before income tax includes the following items:**

Interest revenue	50,200	156	4	128	1	-	50,489
Interest (expense)	(1,961)	(172)	(290)	-	(1,126)	-	(3,549)
Depreciation and amortisation (expense)	(2,080)	(59,835)	(14,950)	(22)	(208)	-	(77,095)
Impairment reversal/(expense)	32,183	(4,365)	(6,444)	-	-	-	21,374
Share of results from equity accounted associates	55,781	-	(140)	-	2,427	(2,050)	56,018

**Notes to the Consolidated Financial Statements**

**3. Segment Information (continued)**

**b) Analysis of non-regular items excluded from segment results**

	Before tax	Tax	After tax	Attributable to:	
	\$'000	\$'000	\$'000	Non-controlling interest	Members
Year ended 31 July 2015				\$'000	\$'000
Gain on disposal of equity investments	3,408	(534)	2,874	464	2,410
Gain on deemed disposal of associates	2,076	(626)	1,450	-	1,450
Impairment reversal on equity accounted associate	72,947	-	72,947	-	72,947
Impairment (expense) of assets	(196,748)	49,960	(146,788)	(30,805)	(115,983)
Share of significant (expenses) from associate entities	(17,435)	-	(17,435)	-	(17,435)
Deferred tax recognised on equity accounted associate entities	-	(13,902)	(13,902)	-	(13,902)
Restructuring costs	(1,291)	74	(1,217)	-	(1,217)
Consulting and legal costs	(325)	98	(227)	-	(227)
Other	(1,162)	-	(1,162)	-	(1,162)
<b>Total non-regular items</b>	<b>(138,530)</b>	<b>35,070</b>	<b>(103,460)</b>	<b>(30,341)</b>	<b>(73,119)</b>

	Before tax	Tax	After tax	Attributable to:	
	\$'000	\$'000	\$'000	Non-controlling interest	Members
Year ended 31 July 2014				\$'000	\$'000
Gain on disposal of long term equity investments	38,518	(2,898)	35,620	6,741	28,879
Gain on disposal of associates	1,251	(354)	897	100	797
Fair value gain on acquisition of associate	6,048	(1,815)	4,233	-	4,233
Recognition of deferred tax assets	-	6,150	6,150	-	6,150
Impairment reversal/(expense)	21,374	5,196	26,570	(1,233)	27,803
Share of significant (expenses) from associate entities	(36,271)	-	(36,271)	-	(36,271)
Deferred tax recognised on equity accounted associate entities	-	(17,074)	(17,074)	-	(17,074)
Restructuring costs	(1,165)	-	(1,165)	-	(1,165)
Consulting and legal costs	(1,264)	379	(885)	-	(885)
Other	(3,947)	4	(3,943)	-	(3,943)
<b>Total non-regular items – profit</b>	<b>24,544</b>	<b>(10,412)</b>	<b>14,132</b>	<b>5,608</b>	<b>8,524</b>

**Notes to the Consolidated Financial Statements**

**4. Profit for the year**

**(i) Profit before income tax expense includes the following:**

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Revenue</b>		
Sales revenue	567,956	575,323
Dividend revenue	25,491	23,976
Interest revenue	44,316	50,489
Rental revenue	2,695	4,114
Other	1,146	4,214
	<b>641,604</b>	<b>658,116</b>
<b>(b) Other income</b>		
Gain on sale of investment properties	4,991	-
Fair value gain on revaluation of investment properties	-	16,781
Gain on deemed disposal of equity accounted associates	2,076	994
Gain on disposal of equity accounted associate	-	257
Fair value gain on acquisition of associate	-	6,048
(Loss)/gain on investments fair valued through profit or loss	(6,018)	1,280
Gain on sale of long term equity investments	5,543	38,518
(Loss) on disposal of unlisted investment	(2,135)	-
Other	47	92
	<b>4,504</b>	<b>63,970</b>
<b>(c) Expenses</b>		
Impairment reversal on equity accounted associates (1)	72,947	45,331
(Impairment) of long term equity investments (2)	(25,697)	(8,210)
(Impairment) of oil producing and exploration assets (3)	(51,456)	(4,365)
(Impairment) of goodwill (3)	(4,157)	-
(Impairment) of non-current assets - coal to liquids facility (4)	(24,267)	-
(Impairment) of non-current assets - copper assets (5)	(83,021)	(4,787)
(Impairment) of other assets	(8,150)	(6,595)
Net impairment (expense)/reversal	<b>(123,801)</b>	<b>21,374</b>

**(1) Impairment reversal on equity accounted associates**

The recoverable amount of investments in equity accounted associates has been assessed as at 31 July 2015. Where the carrying values of the investments exceeded the recoverable amounts, the investment has been impaired. At each reporting date, an assessment is made as to whether there are any circumstances that would indicate that the impairment recognised has decreased or no longer exists. Where evidence supports a reduction in the impairment, the impairment expense may be reversed through the income statement. During the year ended 31 July 2015, the previously recognised impairment on the investment in Australian Pharmaceutical Industries Limited was reversed by \$72.95 million (2014: \$44.37 million).

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**Notes to the Consolidated Financial Statements**

**4. Profit for the year (continued)**

*(2) Impairment of long term equity investments*

During the year ended 31 July 2015, there were significant decreases in the share prices of certain listed equity investments held by the Group. In accordance with AASB 139, a 'prolonged decline in the fair value of an investment in an equity instrument below its cost is objective evidence of impairment'. Where a long term equity investment's market last sale price is lower than the original cost, and the investment is considered by management to be 'impaired', the Group has recognised an impairment expense in respect of these investments. Impairments were recognised by WHSP (\$8.14 million) and New Hope Corporation Limited (\$17.56 million). An impairment recognised for a long term equity investment is prohibited from being reversed through profit and loss. Any future increments in the last sale price of these investments will be recognised as a fair value increment in the asset revaluation reserve. The impairment loss after tax impacted the result attributable to members by \$16.17 million.

*(3) Impairment of goodwill and oil producing and exploration assets*

During the year ended 31 July 2015, New Hope Corporation Limited determined that the significant decline in global oil prices and reduction in reserves estimates in the Cooper Basin assets, indicated the carrying value of goodwill arising on the Bridgeport Energy Limited acquisition and certain oil producing and exploration assets were impaired.

New Hope Corporation Limited classified its Cooper Basin assets as separate cash generating units (CGU) on a per field basis and has measured the recoverable amount of each CGU using the Fair value less cost of disposal method with all fair value measurements categorised as level 3 in the fair value hierarchy. The impairment loss of \$55.61 million constitutes \$4.16 million on goodwill and \$51.46 million on Oil producing assets. The impairment loss after tax impacted the result attributable to members by \$24.43 million.

*(4) Impairment of non-current assets - coal to liquids facility*

New Hope Corporation Limited has assessed the recoverable value of its coal to liquids proof of concept plant, and impaired these assets by \$24.27 million. The impairment loss after tax impacted the result attributable to members by \$10.64 million.

*(5) Impairment of non-current assets - copper assets*

As a result of significant declines in the global copper price, the Group has determined that the carrying values of certain copper mining and exploration assets were no longer economically viable and therefore impaired. Copper assets have been assessed as one cash generating unit. The Group has measured the copper CGU on a value in use basis and has estimated future cash flows by making assumptions in respect of key variables including commodity prices, foreign exchange rates, operating costs, future development costs and economically recoverable resource tonnage. Copper prices and foreign exchange rates assumptions have been based on consensus market data. An impairment loss on these assets of \$83.02 million has been recognised for the year ended 31 July 2015. The impairment loss after tax impacted the result attributable to members by \$58.11 million.



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**Notes to the Consolidated Financial Statements**

**4. Profit for the year (continued)**

**(ii) Tax (benefit)/expense**

	2015 \$'000	2014 \$'000
<b>Reconciliation of prima facie tax expense to income tax (benefit)/expense:</b>		
Profit before income tax	58,603	184,979
Income tax expense calculated at 30%	17,581	55,494
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sale of long term equity investments	(345)	(7,232)
Impairment (benefit)	(13,662)	(11,608)
Franking credits received (excluding controlled and associate entities)	(9,965)	(9,428)
Deferred tax asset recognised on losses transferred into the WHSP tax Group	-	(3,090)
Deferred tax asset not recognised on current year net losses	3,749	6,612
Net effect of New Hope Corporation Limited's Petroleum resource rent tax benefit	(673)	(5,122)
Tax (benefit)/expense on the carrying value of equity accounted associates	(14,622)	269
Other	986	3,496
<b>Income tax (benefit)/expense</b>	<b>(16,951)</b>	<b>29,391</b>

**5. Reclassification of mining reserve assets (Coal) in the Consolidated statement of financial position**

During the current year, mining reserve assets acquired in prior periods, which relate to New Hope Corporation Limited's exploration programs rather than coal mining operations, have been reclassified from 'Property, plant and equipment' to 'Exploration and evaluation assets'. The total amount reclassified is \$218.48 million. This reclassification has been made to provide clearer and more relevant disclosure in the financial statements regarding the Group's exploration and evaluation assets. There has been no change in the accounting policy relating to Exploration and evaluation assets.

The prior year balances have also been adjusted by \$218.48 million to ensure consistent classification between years.

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**Notes to the Consolidated Financial Statements**

**6. Dividends**

		<b>\$'000</b>	<b>Amount per security CPS</b>	<b>Franking per security CPS</b>
<b>Final dividend 2015</b>	Final dividend not recognised in retained profits, to be paid on 7 December 2015	<b>71,819</b>	<b>30.0</b>	<b>30.0</b>
	Previous corresponding year, paid on 8 December 2014	69,425	29.0	29.0
<b>Interim dividend</b>	Interim dividend paid on 14 May 2015	<b>47,879</b>	<b>20.0</b>	<b>20.0</b>
	Previous corresponding year, paid on 8 May 2014	45,485	19.0	19.0

No dividend reinvestment plans were in operation during the reporting period.

Total number of ordinary shares on issue at the end of the reporting period was 239,395,320 (2014: 239,395,320).

**7. Controlled entities acquired or disposed**

**(i) Acquisitions during the year**

No controlled entities were acquired during the year ended 31 July 2015.

**(ii) Controlled entities disposed of during the year**

No controlled entities were disposed of during the year ended 31 July 2015.

**Washington H. Soul Pattinson and Company Limited**  
**For the year ended 31 July 2015**

**Notes to the Consolidated Financial Statements**

**8. Equity accounted associates**

Name of associated entity	Group's percentage of holding at balance date*		Contribution to Group net profit for the year **						Fair value of listed investments***	
	Jul 2015	Jul 2014	2015			2014			Jul 2015	July 2014
	%	%	Regular \$'000	Non-regular \$'000	Total \$'000	Regular \$'000	Non-regular \$'000	Total \$'000	\$'000	\$'000
<b>Associates – held by WHSP</b>										
Apex Healthcare Berhad	30.3	30.3	3,381	-	3,381	3,144	-	3,144	55,364	46,201
Australian Pharmaceutical Industries Limited	24.6	24.6	9,186	2,118	11,304	7,390	(32,265)	(24,875)	191,142	72,129
BKI Investment Company Limited (i)	11.1	11.8	4,777	-	4,777	4,491	-	4,491	108,371	104,974
Brickworks Limited (ii)	44.2	44.3	29,089	(9,558)	19,531	25,241	(1,980)	23,261	978,113	938,725
Clover Corporation Limited	28.6	28.6	3	-	3	276	-	276	8,017	19,808
Ruralco Holdings Limited (iii)	20.3	20.6	3,735	(473)	3,262	2,800	(1,469)	1,331	60,921	54,860
TPG Telecom Limited	26.9	26.9	60,245	-	60,245	46,153	-	46,153	2,029,441	1,179,972
TPI Enterprises Limited	19.4	19.4	(2,585)	(1,779)	(4,364)	-	-	-	n/a	n/a
<b>Associates – held by controlled entities</b>										
Ampcontrol Pty Limited (iv)	43.3	43.3	(751)	(7,743)	(8,494)	2,022	(734)	1,288	n/a	n/a
Belaroma Coffee Pty Ltd	40.0	40.0	615	-	615	563	-	563	n/a	n/a
Heritage Brands Limited (v)	25.1	25.1	293	-	293	7	-	7	n/a	n/a
Specialist Oncology Property Pty Limited (vi)	24.7	25.5	228	-	228	230	-	230	n/a	n/a
Supercorp Pty Limited	29.4	29.4	(659)	-	(659)	(87)	-	(87)	n/a	n/a
Syndicated Metals Limited (vii)	30.9	18.9	(249)	-	(249)	(141)	-	(141)	2,659	2,495
Xact Property Solutions Pty Limited	33.8	33.8	5,206	-	5,206	377	-	377	n/a	n/a
<b>Share of results from equity accounted associates before impairment reversal/(expense)</b>			112,514	(17,435)	95,079	92,466	(36,448)	56,018		
Impairment reversal of investment in associates (refer note 4(i))										
- Australian Pharmaceutical Industries Limited			-	72,947	72,947	-	44,373	44,373		
- Other equity accounted associate			-	-	-	-	958	958		
<b>Total impairment reversal of investment in associates</b>			-	72,947	72,947	-	45,331	45,331		
<b>Share of results and impairment reversal from equity accounted associates</b>			112,514	55,512	168,026	92,466	8,883	101,349		

\* The percentage holding represents the Group's total holding in each Associate.

\*\* Contribution to Group net profit represents the amount included in profit after tax before non-controlling interest.

\*\*\* Fair value of listed investments represents the last sale price of listed associates at balance date. These investments are subject to capital gains tax and other transaction costs.

## **Notes to the Consolidated Financial Statements**

### **8. Equity accounted associates (continued)**

#### **Changes in holdings of associates**

(i) During the year, WHSP did not participate in BKI Investment Company Limited's (BKI) dividend reinvestment plans issued on 28 August 2014 and 26 February 2015.

As a result of these issues of shares, WHSP decreased its shareholding from 11.8% (31 July 2014) to 11.1%.

(ii) On 8 October 2014, Brickworks Limited issued shares as part of its employee share scheme. As a result of this transaction, WHSP's percentage holding in Brickworks decreased by 0.11% to 44.23%.

(iii) During the year, WHSP did not participate in Ruralco Holdings Limited (RHL) dividend reinvestment plans issued on 14 January 2015 and 26 June 2015. As a result of these issues of shares, WHSP decreased its shareholding from 20.6% to 20.3%.

(iv) In July 2015, Souls Private Equity Limited (SPEL), a controlled entity of WHSP, participated in the Ampcontrol capital raising. As a result of the issue of shares, SPEL's percentage holding increased by 0.03% to 43.32%.

(v) In July 2015, Souls Private Equity Limited (SPEL), a controlled entity of WHSP, participated in the Heritage Brands capital raising. As a result of the issue of shares, SPEL's percentage holding increased by 0.02% to 25.12%.

(vi) At various times throughout the period, Specialist Oncology Property Limited issued shares to medical practitioners operating in its facilities, diluting the shareholding held by WHSP.

(vii) On 17 March 2015, Syndicated Metals Limited (Syndicated) announced a non-renounceable entitlement offer for new shares in Syndicated, of which CopperChem Limited (CopperChem), a controlled entity of WHSP participated. Pitt Capital Partners Limited (PCP), a controlled entity of WHSP agreed to underwrite the Syndicated non-renounceable entitlement offer.

As a result of the entitlement offer and PCP underwriting the entitlement offer, WHSP through its controlled entities Copperchem and PCP percentage holding increased from 18.49% to 30.89%.

### **9. Contingent liabilities**

There are no other material changes to contingent liabilities of the Group since 31 July 2014.

### **10. Events occurring after the balance sheet date**

Other than declared in this report, the Directors are not aware of any other events subsequent to balance date that would materially effect the full year financial report.

### **11. Other significant information**

Please refer to the Chairman's Review and Review of Group Entities contained in this report.

### **12. Audit**

This report is based on financial statements that are in the process of being audited.