



Washington H. Soul Pattinson and Company Limited

ABN 49 000 002 728
ASX Code: SOL

Results Presentation

Financial Year

2016



Business Overview

**DIVERSIFIED
PORTFOLIO**

**LONG TERM
FOCUSED**

**CONSERVATIVE
AND VALUE
FOCUSED**

**OVER THE LAST 15
YEARS WHSP HAS**

**CONTINUALLY
INCREASED DIVIDENDS**

(growing at a compound
annual growth rate of 10.6% pa)



**DELIVERED A TSR OF
12.6% PER ANNUM**

(outperforming the All Ords
Accumulation Index by 4.5% pa)

Key Highlights

Year Ended 31 July 2016

NET PROFIT AFTER TAX

\$149.4m

79.3% ▲

REGULAR PROFIT AFTER TAX

\$177.2m

9.1% ▲

PRE-TAX VALUE OF PORTFOLIO

\$6.03b

9.6% ▲

TOTAL DIVIDENDS (fully franked)

52cps

4.0% ▲

LAST 12 MONTH TSR

31.4%

outperformance 27.4%

TOTAL SHAREHOLDERS

14,836

25.7% ▲

Group Result (Consolidated)

Year Ended 31 July 2016

Total Profit After Tax:	\$149.4m	up 79.3%
Regular Profit After Tax*	\$177.2m	up 9.1%**
Significantly higher contributions by:	<ul style="list-style-type: none"> TPG Brickworks API 	<ul style="list-style-type: none"> up 38.7% up 33.5% up 26.4%
Offset by:	<ul style="list-style-type: none"> New Hope 	down 90.3%
Net loss from non-regular items	\$27.8m	\$79.1m** FY15

* 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.

** The results for 2015 have been restated by transferring expenses of \$6.0 million from the regular result to non-regular items following a reallocation by an Associated Entity. Refer to Note 3 of the Preliminary Final Report.

Portfolio Performance As at 31 July 2016

	WHSP's Holding %	Value of Holding \$m	12 month movement	
			\$m	%
Major Strategic Investments - listed (at market value)				
TPG Telecom	25.2%	2,738	709	34.9%
Brickworks	44.1%	987	9	0.9%
New Hope Corporation	59.6%	793	(154)	(16.2%)
API	24.6%	231	40	20.8%
BKI Investment	10.3%	101	(8)	(7.1%)
Ruralco	20.1%	53	(8)	(13.1%)
Apex	30.3%	45	(10)	(18.3%)
		4,948	578	13.2%
Other listed Investments (at market value)				
		669	39	6.3%
Unlisted Investments*				
		161	(93)	(36.5%)
Property*		176	107	156.1%
Cash and net funds on deposit		24	(130)	(84.5%)
Loans and other net assets		50	27	119.1%
Net assets value (pre-tax)		6,028	528	9.6%

Tax payable if
disposed of on
31 July 2016
\$1.27 billion

After tax net
asset value
\$4.76 billion or
\$19.86 per share

Major Strategic
Listed Investments
up \$578m or 13.2%

Gross value of portfolio
up \$528m or 9.6%

* Directors' valuations

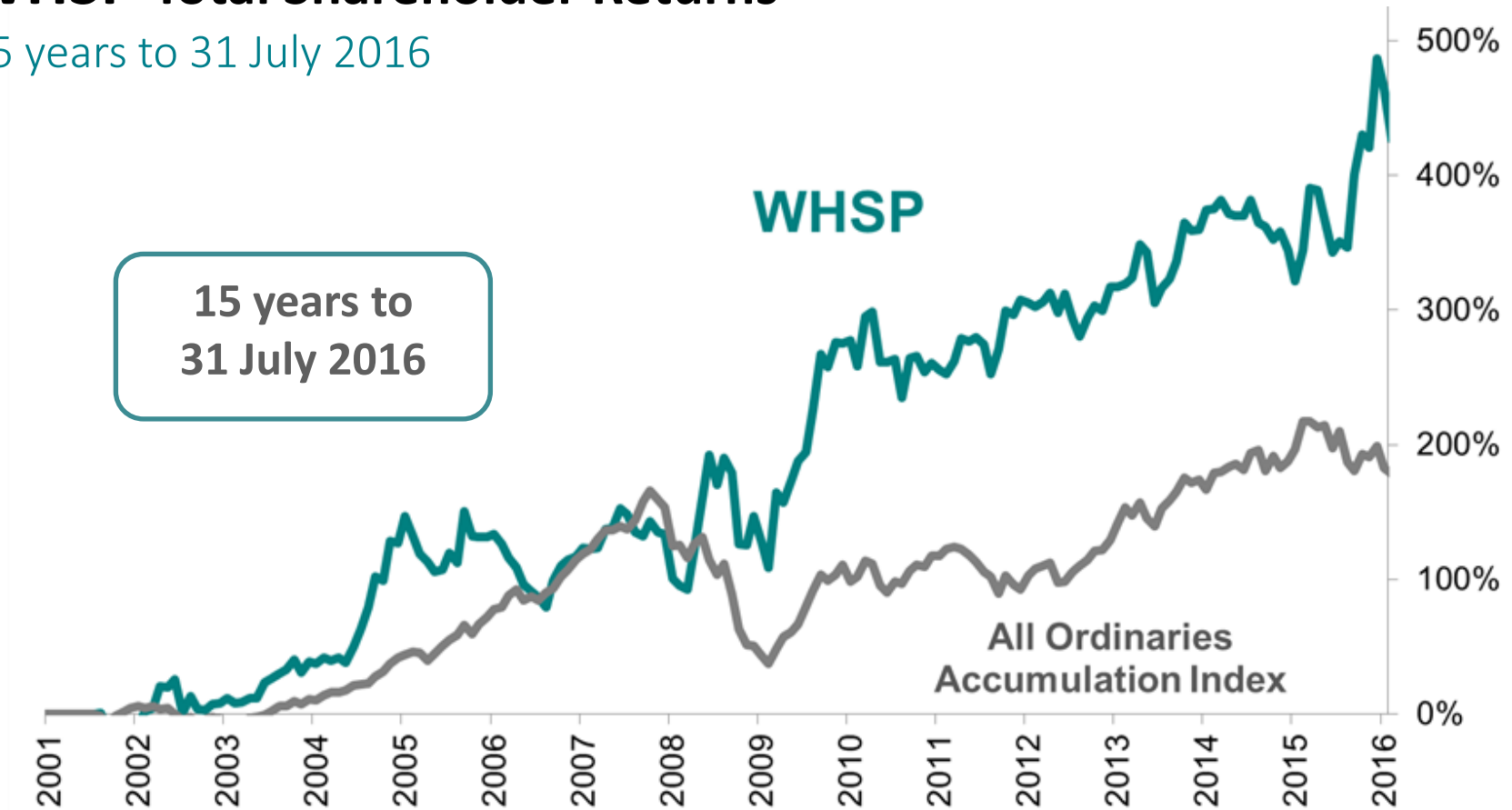
WHSP Total Shareholder Returns

as at 31 July 2016

Annualised Returns	1 Year	3 Years	5 Years	10 Years	15 Years
WHSP	31.4%	12.5%	9.6%	12.3%	12.6%
All Ord. Accum. Index	4.0%	8.5%	9.4%	5.7%	8.1%
Out Performance by WHSP	27.4%	4.0%	0.2%	6.6%	4.5%

WHSP Total Shareholder Returns

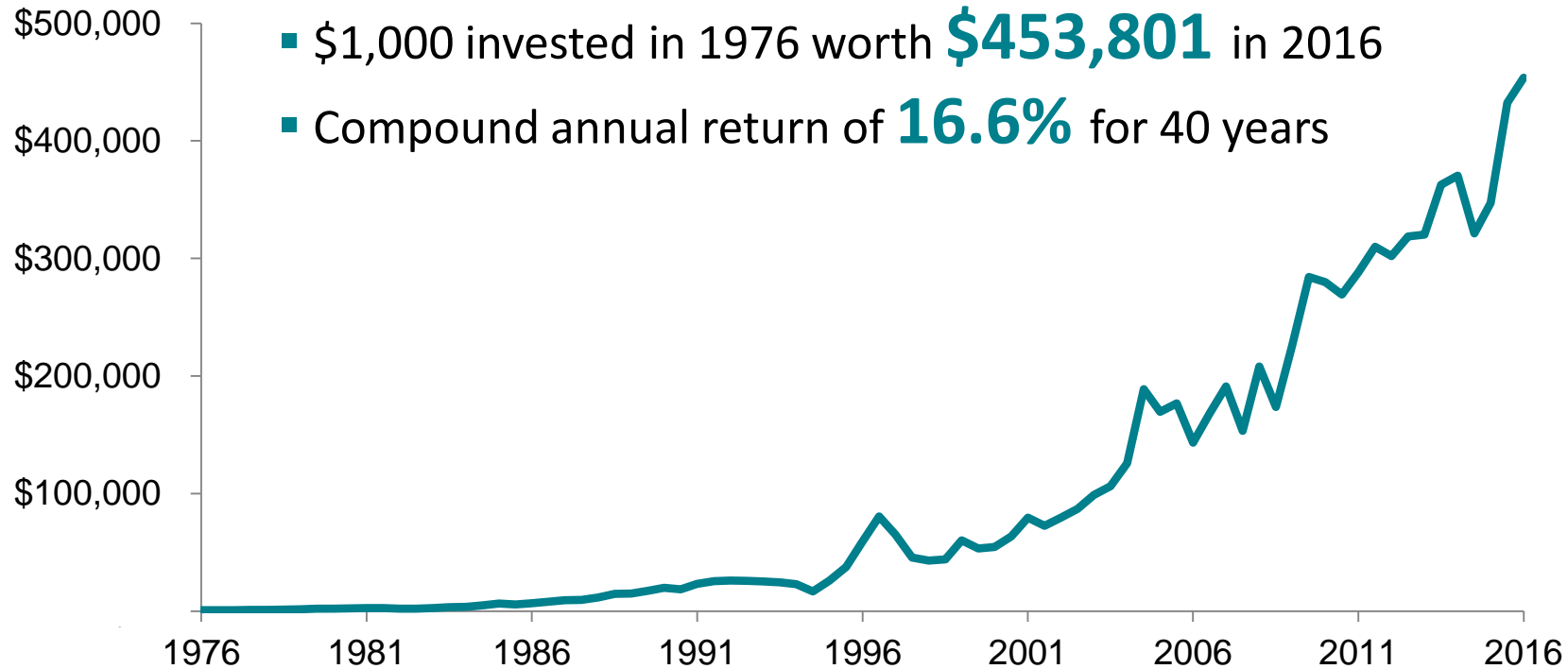
15 years to 31 July 2016



Includes the re-investment of dividends

WHSP Total Shareholder Returns

40 years to 31 July 2016



Includes the re-investment of dividends

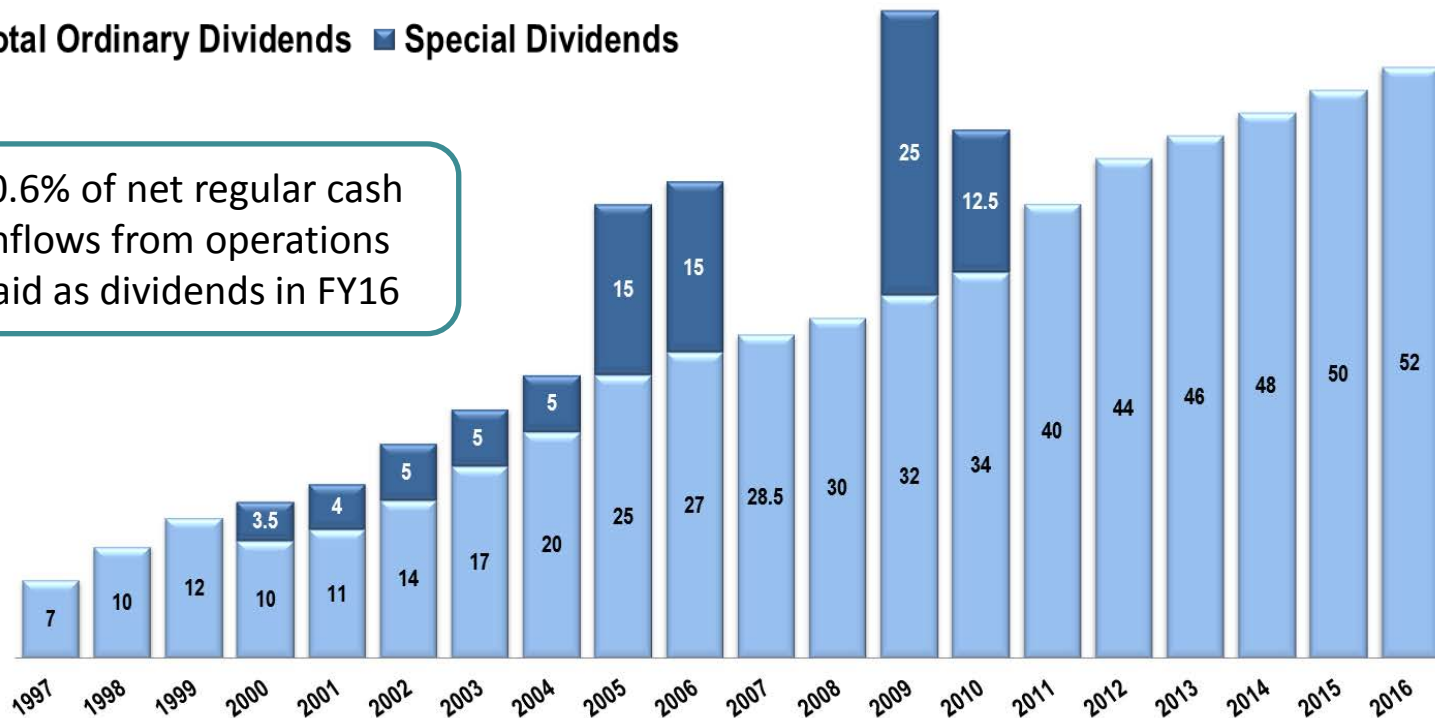
Dividend History

Final Dividend: 31 cents per share fully franked, up 3.3%

Total Dividends for the year: 52 cents fully franked, up 4.0%

■ Total Ordinary Dividends ■ Special Dividends

90.6% of net regular cash inflows from operations paid as dividends in FY16



Dividends paid prior to June 2002 are adjusted for 10:1 Share Split

TPG Telecom Limited

Year Ended 31 July 2016

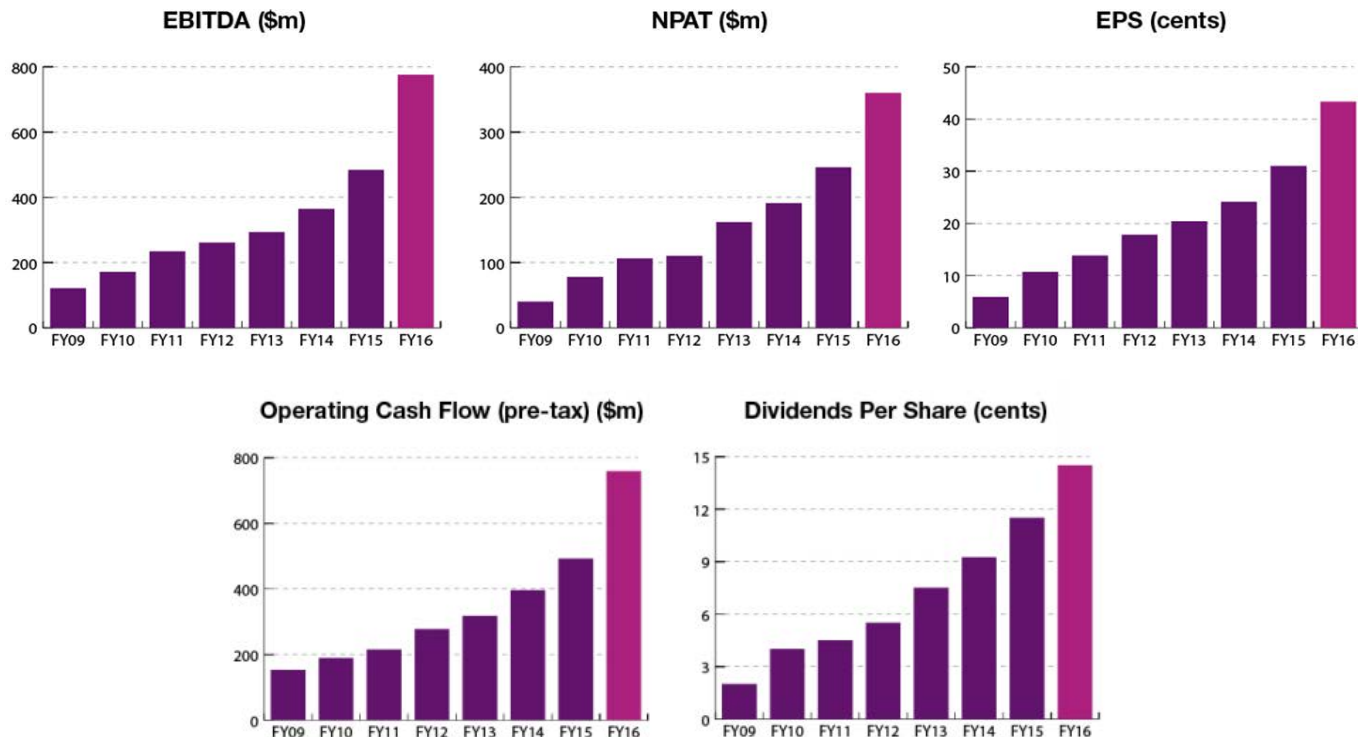


Percentage ownership	25.2%
Value of shareholding	\$2,738m
Contribution to WHSP profit	\$97.5m
Dividends paid to WHSP	\$27.7m

- EBITDA \$849.4m, up 75%
- Profit After Tax \$379.6m, up 69%
- EPS increased by 61% to 45.3 cents per share
- Underlying EBITDA \$775.3m, up 60%
- Final Dividend of 7.5 cents per share fully franked, an increase of 25%
- Total Dividends of 14.5 cents per share fully franked, an increase of 26%

TPG Telecom Limited

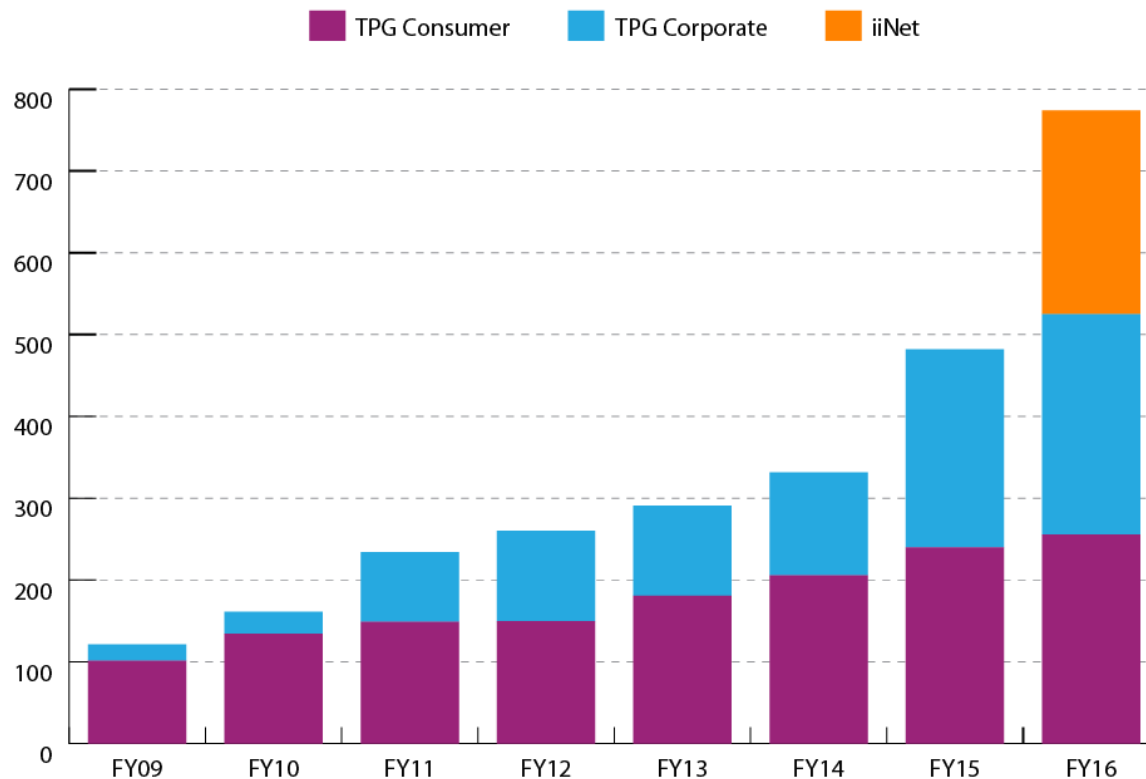
Historical growth track record



In the above charts: FY16 EBITDA is the underlying EBITDA. For all other periods EBITDA is as reported. FY16 NPAT is the underlying NPAT. For all other periods NPAT is as reported except adjusted to exclude the impact of acquired customer base intangible amortisation. EPS is based on the NPAT figures used in the chart.

TPG Telecom Limited

Composition of EBITDA

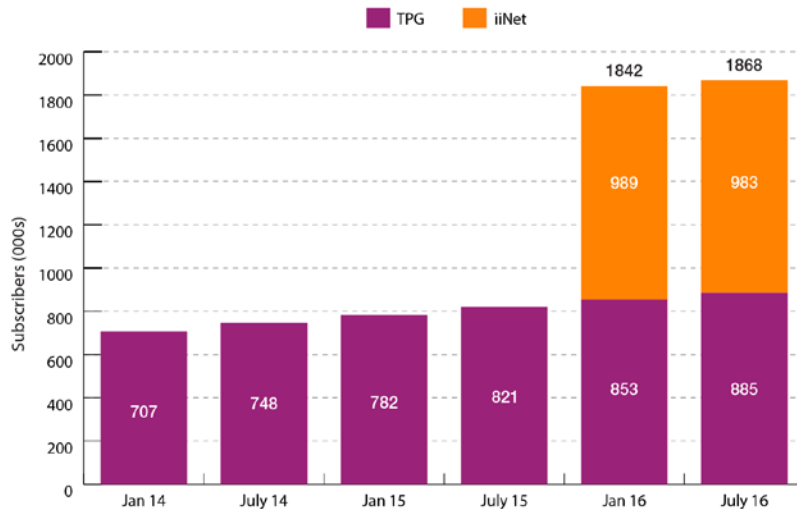


TPG Telecom Limited

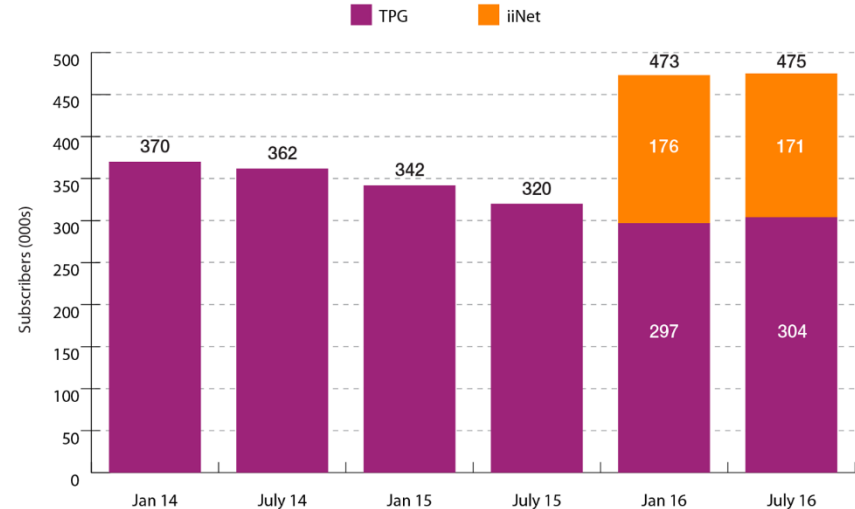
Subscribers



1.87m broadband subscribers



475k mobile subscribers



Brickworks Limited

Year Ended 31 July 2016



Percentage ownership	44.1%
Value of shareholding	\$987m
Contribution to WHSP profit	\$9.6m*
Contribution to WHSP regular profit	\$38.8m*
Dividends paid to WHSP	\$30.2m

- Record underlying NPAT \$147.1m, up 22.3%
- Profit After Tax \$78.2m (2015 \$78.1m)
- Building Products:
 - record sales of \$748.1m
 - underlying EBIT \$75.4m, up 33.7%
- Land and Development underlying EBIT \$73.5m, up 14.1%
- Total Dividends of 48 cents per share fully franked, an increase of 6.7%

* Excludes the WHSP profit taken up by Brickworks under the equity accounting method.



Brickworks Limited

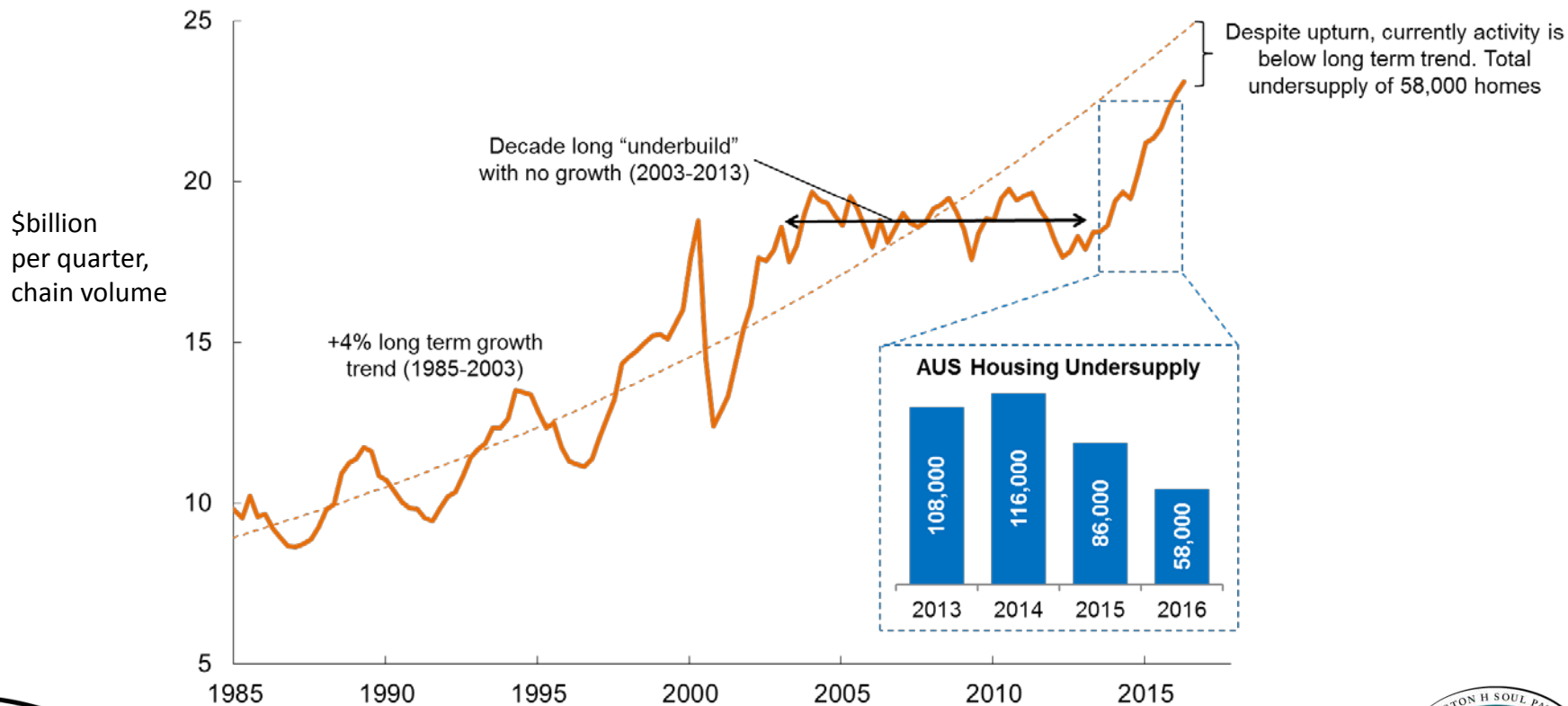
Financial snapshot



	FY2016	FY2015	% Change	
Building Products EBIT	\$75.4m	\$56.4m	↑	33.7
Land and Development EBIT	\$73.5m	\$64.4m	↑	14.1
Investments EBIT	\$59.6m	\$54.9m	↑	8.6
Total EBIT	\$195.9m	\$165.9m	↑	18.1
Interest cost	(\$13.6m)	(\$17.1m)	↓	20.5
Mark to market valuation of interest rate swaps	(\$0.4m)	(\$2.4m)	↓	83.3
Underlying income tax	(\$34.8m)	(\$26.1m)	↑	(33.3)
Underlying NPAT	\$147.1m	\$120.3m	↑	22.3
Significant items (after tax)	(\$68.9m)	(\$42.2m)	↓	(63.3)
Statutory NPAT	\$78.2m	\$78.1m	↑	0.1

Brickworks Limited

Australian Housing Construction Activity



New Hope Corporation

Year Ended 31 July 2016



Percentage ownership	59.6%
Value of shareholding	\$793m
Contribution to WHSP result	(\$29.2m)
Contribution to WHSP regular profit	\$3.1m
Dividends paid to WHSP	\$39.7m

- Profit After Tax before non-regular items was \$5.0m, down 90.3%
- Net loss after tax \$53.7m
- EBITDA of \$81.3m during difficult coal and oil markets
- Acquisition of 40% interest in the Bengalla project for \$898m incl. costs
- Final Dividend of 2 cents per share fully franked

New Hope Corporation

Operations



- Record production in FY16 of 6.6 million tonnes – up 15% on FY15
- Targeting 8.9 million tonnes in FY17
- Focus on sustainable operating cost reduction
- Further cost reductions expected from QCA decision on rail access charge
- Bridgeport continues to grow its production base – now 2nd largest oil producer in QLD
- Securing the future of Acland is a top management priority

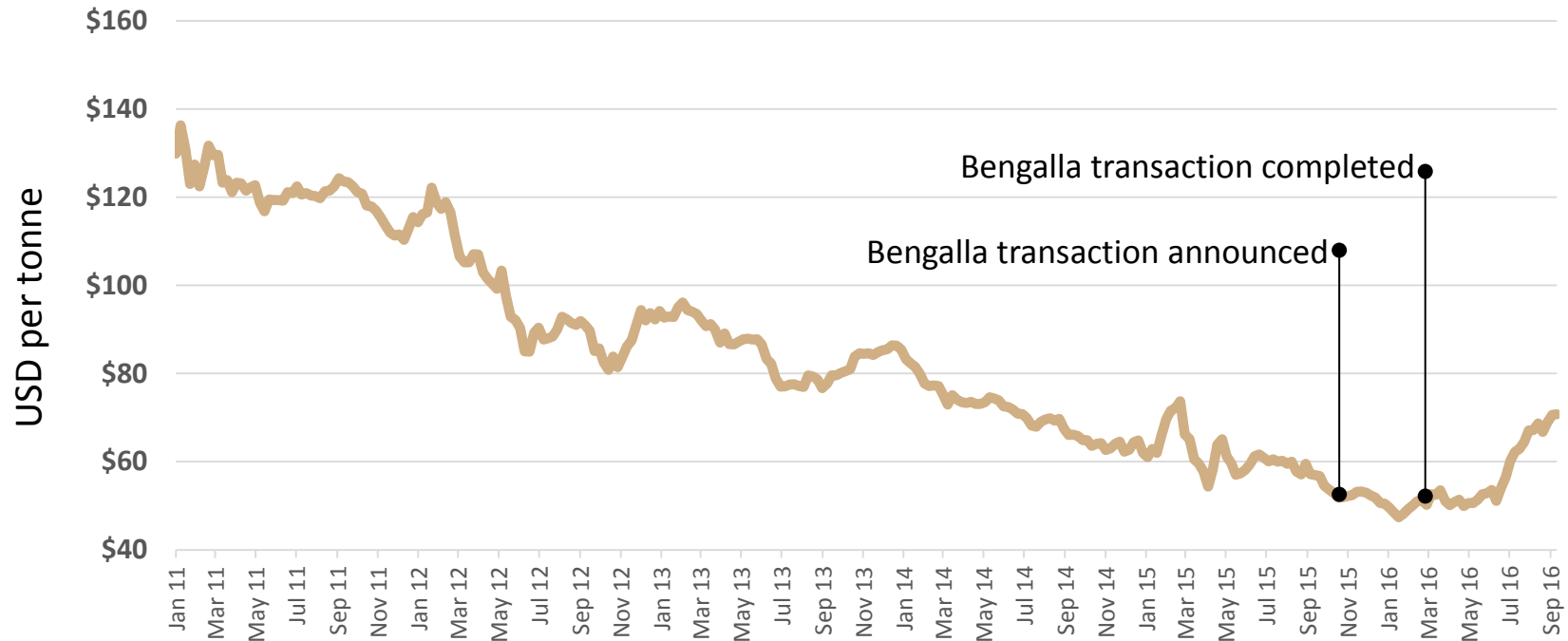
New Hope Corporation

Bengalla acquisition



NEW HOPE
GROUP

Newcastle Thermal Coal Price FOB

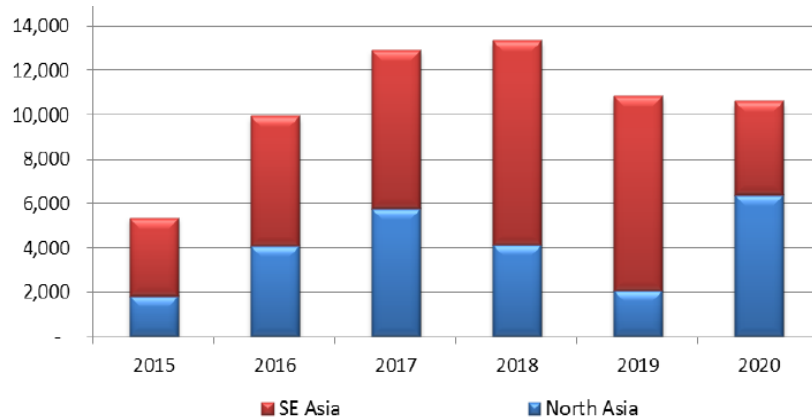


New Hope Corporation

Coal outlook

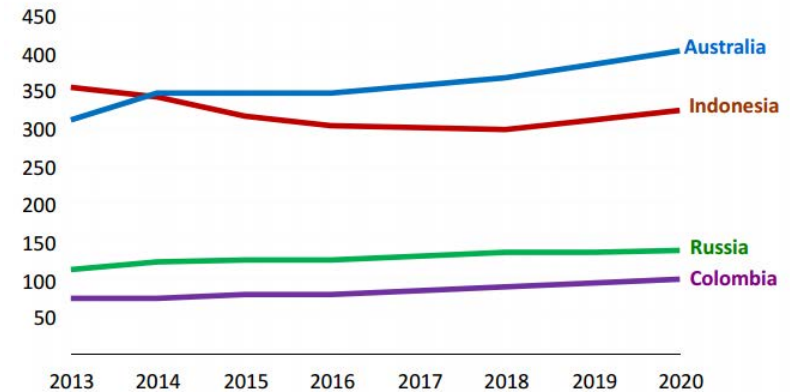


Asia – Incremental Coal-Fired Capacity (MW)



Source: HDR

Coal exports from key countries (Mt)



Source: International Energy Agency

Australian Pharmaceutical Industries



Percentage ownership	24.6%
Value of shareholding	\$231m
Contribution to WHSP profit *	\$11.0m
Dividends paid to WHSP**	\$6.0m

Half Year Ended 28 February 2016

- Total revenue \$1.8 billion, up 4.4% on previous corresponding period
- EBIT of \$44.6m, up 15.6%
- Underlying NPAT \$25.3m, up 18.1%
- NPAT \$22.9m, up 7.7%
- Fully franked interim dividend 2.5 cents per share, up 25%

* For the 12 months to 28 February 2016

** For the 12 months to 31 July 2016



BKI Investment Company

Year Ended 30 June 2016



Percentage ownership	10.3%
Value of shareholding	\$101m
Contribution to WHSP profit	\$4.5m
Dividends paid to WHSP	\$4.5m

- Net operating result before special investment revenue \$41.2m, up 0.7%
- TSR has exceeded ASX 300 Index by:
 - 3.5%pa over 5 years
 - 2.0%pa over 10 years, and
 - 1.2%pa over 12 years
- Fully franked dividends for the year 7.25 cents per share, up 0.7%
- Grossed up dividend yield 6.4% (at 31 July 2016)



Ruralco Holdings



Percentage ownership	20.1%
Value of shareholding	\$53m
Contribution to WHSP profit *	\$2.2m
Dividends paid to WHSP**	\$2.4m

Half Year Ended 31 March 2016

- Revenue \$803.7m, up 8.2% on previous corresponding period
- NPAT \$10.8m, up 3.2%
- Record result
 - growth in agency, rural supplies and water services
 - network growth
- Interim dividend of 8 cents per share fully franked

* For the 12 months to 31 March 2016

** For the 12 months to 31 July 2016



Percentage ownership	30.3%
Value of shareholding	\$45m
Contribution to WHSP profit *	\$3.4m
Dividends paid to WHSP	\$1.3m

Half Year Ended 30 June 2016

- Revenue \$98.1m, up 6.4% on previous corresponding period
- NPAT \$6.5m, up 23.7%
- Interim dividend of 1.8 cents per share, up 6.8%

* For the 12 months to 30 June 2016

WHSP

Listed Equity Portfolio (excluding Strategic Listed Investments)

- Market value of the portfolio was \$669m (11.1% of NAV)
- Net investment of \$31.3m for FY16
- Previously unlisted investments carried at \$39.8m were listed during FY16
- Profit on disposals totalled \$24.1m
- Ordinary dividend income was \$28.2m, up 12.4%

WHSP

Property Portfolio

- Total equity value of WHSP's property portfolio is \$176m (2.9% of portfolio)
- Acquisition of two properties in FY16 at Pennant Hills for \$46.7m (net of borrowings)
- Construction of two bus depots in Victoria (completion in FY17)
- Expecting rezoning outcome of Castle Hill property in FY17



City View Road, Pennant Hills

Washington H. Soul Pattinson and Company Limited

A Diversified Investment House

