



## ASX/Media release

# WHSP reports 79% increase in FY profit to \$149m, lifts dividend

### Key highlights:

- Net Profit After Tax \$149.4m, up 79.3%
- Final dividend up 3.3% to 31 cents per share
- Last 12 month Total Shareholder Return was 31.4% (compared to 4.0% for the All Ordinaries Accumulation Index)
- 15 year Total Shareholder Return is 12.6% per annum (compared to 8.1% per annum for the All Ordinaries Accumulation Index)

### Financial overview:

	FY to 31 July 2016 \$000	FY to 31 July 2015 \$000	% Change
Regular profit after tax*	177,222	162,405 **	+ 9.1%
Net profit after tax (NPAT)	149,421	83,330	+ 79.3%
Interim Dividend (paid in May each year)	21 cents	20 cents	+ 5.0%
Final Dividend (payable 12 December 2016)	31 cents	30 cents	+ 3.3%
Total Dividends	52 cents	50 cents	+ 4.0%

**Thursday, 22 September 2016:** Diversified investment house, Washington H. Soul Pattinson and Company Limited (WHSP, ASX: SOL) today announced its full year results, reporting net profit after tax (NPAT) of \$149.4 million for the year ended 31 July 2016.

The result represents an increase in NPAT of 79.3% from \$83.3 million when compared to the previous year.

Regular profit after tax\* was \$177.2 million for the full year, increasing 9.1% from \$162.4 million for the previous corresponding year. Regular profit after tax is considered to be the underlying profit of the Group.

The increase in profit was driven by another strong contribution from TPG Telecom Limited (up 38.7%), Brickworks Limited (up 33.5%), and Australian Pharmaceutical Industries Limited (up 26.4%).

WHSP Chairman Rob Millner said: "The past year has been a good demonstration of the success of our investment style, highlighting the mix and quality of WHSP's investments.

\* 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.

“Group profit was up 79.3% on the previous year despite a significant reduction in earnings from New Hope due to the low coal price in FY16. This demonstrates the robustness of our diversified investment portfolio which reduces risk and acts to cushion us against the full impact of market volatility.”

The Group’s net loss on non-regular items for the full year was \$27.8 million (2015: \$79.1 million loss\*\*).

## Assets of WHSP

The assets of WHSP are summarised below. The net asset value at 31 July 2016 was \$6.03 billion, an increase of 9.6% when compared to the value of \$5.5 billion as at 31 July 2015, significantly outperforming the ASX All Ordinaries Index which decreased by 0.7%.

As at 31 July 2016	WHSP's Holding %	Value of WHSP's Holding \$m	12 month movement	
			\$m	%
<b>Major Strategic Investments - listed</b> (at market value)				
TPG Telecom Limited	25.2	2,738	709	34.9
Brickworks Limited	44.1	987	9	0.9
New Hope Corporation Limited	59.6	793	(154)	(16.2)
Aust. Pharmaceutical Industries Limited	24.6	231	40	20.8
BKI Investment Company Limited	10.3	101	(8)	(7.1)
Ruralco Holdings Limited	20.1	53	(8)	(13.1)
Apex Healthcare Berhad	30.3	45	(10)	(18.3)
<b>Sub-total (Major Strategic Investments)</b>		<b>4,948</b>	<b>578</b>	<b>13.2</b>
Other listed investments (at market value)		669	39	6.3
Unlisted investments <sup>1</sup>		161	(93)	(36.5)
Property <sup>1</sup> (net of borrowings)		176	107	156.1
Cash and net funds on deposit		24	(130)	(84.5)
Loans and other assets		50	27	119.1
<b>NET ASSET VALUE (pre-tax)<sup>2</sup></b>		<b>6,028</b>	<b>528</b>	<b>9.6</b>
<b>ASX ALL ORDINARIES INDEX</b>				<b>(0.7)</b>

<sup>1</sup> Directors' valuations

<sup>2</sup> The tax payable if all these assets had been disposed of on 31 July 2016 would have been approximately \$1.27 billion.

## **Final dividend**

WHSP's diversified portfolio has delivered consistent cash flows which the company passes on to shareholders in the form of fully franked dividends. WHSP has significantly outperformed the ASX All Ordinaries Accumulation Index over the short and long term and has never missed paying a dividend since listing in 1903.

For the full year ended 31 July 2016, Directors have declared a fully franked final dividend of 31 cents per share.

This brings total dividends for the year to 52 cents fully franked, an increase of 4% over last year's total dividend of 50 cents per share fully franked. WHSP is one of only two companies in the All Ordinaries Index which has increased dividends every year over the last 15 years.

WHSP receives dividends and distributions from its investments, interest from funds on deposit and gains on property assets. This year it will pay out 90.6% of its net regular cash inflows from operations as dividends (2015: 87.9%).

The record date for the dividend will be 21 November 2016 with payment due on 12 December 2016.

## **Total shareholder return**

In the last 12 months, WHSP's total shareholder return (share price growth and reinvested dividends) has exceeded the All Ordinaries Accumulation Index by 27.4%. Over the last 15 years, WHSP has delivered a TSR of 12.6% per annum.

## **Outlook**

WHSP Managing Director Todd Barlow said: "The portfolio performed very well in a volatile market. We continue to look for good quality investments at attractive prices which will provide income and capital growth for shareholders over the long term.

"The acquisition of the interest in Bengalla during FY16 by New Hope was a good example of the Group's investment style of being patient and acquiring assets at the low point in the cycle.

## **Briefing details:**

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

The briefing will be live streamed at: [www.streamgate.co/webcast/brickworks/22-09-16](http://www.streamgate.co/webcast/brickworks/22-09-16)

## **About Washington H. Soul Pattinson and Company Limited**

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

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

[www.whsp.com.au](http://www.whsp.com.au)

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