

W H SOUL PATTINSON FORECASTS CONTINUED GROWTH IN 2004

Listed investment company, Washington H Soul Pattinson and Company Limited (WHSP), forecast continued growth and a positive outlook for the coming year at its 101st Annual General Meeting today.

According to chairman, Mr Rob Millner, WHSP would continue its strategy of diversification and investment in basic products to generate ongoing growth for shareholders.

"Over time we have developed a diversified portfolio across basic industries such as building products, coal, media, telecommunications and food which have all contributed positively to recent results," said Mr Millner.

"In the past year we have looked to unlock value for shareholders through initiatives such as the floats of New Hope Corporation and Brickworks Investment Company and divestment of non-core assets including eight pharmacies and other properties.

"The combination of a recovery in equity markets, an expanded Brickworks Limited, following the acquisition of Bristle Limited, continued strength of our businesses and new investments in the areas of investment banking and funds management are expected to underpin a positive outlook for the remainder of the financial year," Mr Millner added.

During the past 12 months, WHSP has developed interests in the financial sector by acquiring a 50 per cent stake in corporate financial advisers Pitt Capital Partners (PCP) and a 62 per cent stake in Veritas Funds Management Limited, to create Souls Fund Management Limited by merging PCP's funds management business with that of Veritas.

Souls Funds Management currently manages two funds, the SFM Australian Equity Fund and the SFM Australian Small Industrial Fund, which have both outperformed their relative benchmarks over the past three years.

The Brickworks acquisition of Bristle Limited in August 03 created the largest and most profitable clay products producer in Australia with a market presence in all states.

For the first quarter 2004, Brickworks lifted clay product sales 139 per cent to \$108 million in the first quarter and more than doubled unaudited profit after tax to \$13.4 million, despite the period including only two months of contributions from Bristle, and the company expects to benefit from ongoing industry growth and a strong order book.

New Hope Corporation for the first quarter 2004 reported raw coal production up 15 per cent, sales up 12 per cent, and profit in line with the previous corresponding period as higher profits in Australia offset lower contributions from overseas operations affected by a stronger AUD.

According to New Hope, despite firmer spot prices in recent months, the strengthening of the AUD was likely to continue to affect profits in the near future.

SP Telecommunications, 55.6 per cent owned by WHSP, declared its maiden dividend after only three years of operations, reporting profit after tax of \$5.8 million, for the year to July 03, an increase of 161 per cent.

SP Telecommunications has expanded its network along the eastern seaboard to create one of the largest regional access networks in Australia and is currently constructing the largest private network in Australia for the NSW Department of Education to supply over 1100 sites with internet access.

For the first quarter 2004, SP Telecommunications has recorded profit after tax of \$3.1 million, 240 per higher than the corresponding quarter last year.

NBN Limited, while experiencing a decline in its share of market revenue and increased costs during the last financial year, secured a new affiliation agreement with the Nine Network which, combined with NBN's strong local focus, has led to profit increasing by 15 per cent in the first quarter 2004, compared with the previous corresponding period.

Functional foods company, Clover Corporation, 27.9 per cent owned by WHSP, recorded positive cash flow for the first quarter and is continuing to develop Omega3 DHA enriched food products with the Australian market for functional foods remaining strong.

George Weston's Tip Top Up bread, which uses Clover's Omega3 for DHA enrichment, is continuing to gain market share in Australia while moving into the European and US markets.

Australian Pharmaceutical Industries (API) had its TGA licence reinstated in October and capacity is now starting to increase slowly after a self-suspension of the licence closed the manufacturing plant for six weeks.

At the end of October 2003, the listed investment portfolio was valued in excess of \$1.5 million, with a return on the portfolio for the first quarter of 15.8 per cent, including unrealised gains, compared with 6.3 per cent for the S&P/ASX 300 Accumulation Index.

Beginning as a chemist shop in Pitt Street in 1872 and listing on the Australian Stock Exchange 30 years later, WHSP today is a diversified investor in basic commodities such as bricks, coal, media, telecommunications, food and pharmaceuticals.

ISSUED FOR : WASHINGTON H SOUL PATTINSON & CO LIMITED (ASX CODE: SOL)

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