



**WASHINGTON H SOUL PATTINSON  
AND COMPANY LIMITED**

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8 November, 2004.

The Manager – Companies,  
Australian Stock Exchange Limited,  
Exchange Centre,  
20 Bridge Street,  
SYDNEY. N.S.W. 2000

Dear Sir,

**Washington H. Soul Pattinson & Company Limited (SOL) establishes  
Souls Private Equity Limited**

Attached is a media release issued today regarding the IPO of Souls Private Equity Limited (SPEL).

SPEL has been established as a vehicle to house and develop private equity investments from Washington H. Soul Pattinson & Company Limited (WHSP).

SPEL is buying some investments in which WHSP has had interests and WHSP will become a shareholder in SPEL, details of which are summarised in the attached media release.

Yours faithfully,

R.A. O'Brien,  
Secretary,  
WASHINGTON H. SOUL PATTINSON AND COMPANY LIMITED

**SOULS PRIVATE EQUITY LAUNCHES INITIAL PUBLIC OFFER, TO LIST ON ASX**

Souls Private Equity Limited (SPEL) today launched its initial public offer (IPO) to raise a minimum underwritten amount of \$50 million and up to \$100 million in advance of listing on the ASX in December.

SPEL has been established as a vehicle to house and develop Washington H. Soul Pattinson and Company Limited's (WHSP) private equity investments and on completion of the IPO will have a seed portfolio valued at approximately \$22.8 million.

Depending on the ultimate amount of funds raised, SPEL will have a market capitalisation between \$72 million and \$122 million and WHSP and the directors of SPEL will own between 18% and 30%.

The strategy underlying the establishment of SPEL is to capture the successful WHSP track record in private equity, examples of which include New Hope Corporation, SP Telemedia and NBN Television which all started as private equity investments.

Today, WHSP's investments in these companies are valued at approximately \$630 million in the case of New Hope Corporation, \$264 million in the case of SP Telemedia and NBN Television was recently sold to SP Telemedia for \$145 million.

According to the chairman of WHSP and SPEL, Mr Rob Millner, SPEL provided an opportunity for investors to have direct access to the benefits of private equity investment through a vehicle dedicated to this purpose and which also offered investors the liquidity of an ASX listing.

"We have established a structure that includes investments which we believe offer high prospects for capital growth over the long term as well as having an equity participation in the manager of the company, Pitt Capital Partners," Mr Millner said.

"SPEL expects a strong private equity deal flow through WHSP and the manager, Pitt Capital Partners. WHSP now has a vehicle for channelling equity to private businesses which can often be acquired at more attractive prices than listed investments," Mr Millner added.

The prospectus offers shares at 25 cents each, with one attaching option for every eight shares issued through the prospectus and exercisable at 30 cents anytime within five years from issue.

For the seed portfolio being acquired for \$22.8 million, SPEL will pay \$16.7 million in SPEL shares and \$6.1 million in cash of which \$3.9 million will be invested directly into investee companies.

A point of difference is that investors will have an interest in SPEL's manager, Pitt Capital Partners, with SPEL owning 25% of Pitt Capital Partners which in turn owns 25.5% of Souls Funds Management which will invest SPEL's funds while awaiting private equity opportunities.

Companies comprising the SPEL seed portfolio are:

- Pitt Capital Partners (to be 25% owned by SPEL, with WHSP remaining a 50% shareholder), a specialist corporate adviser which is to be manager of SPEL as well as continuing services in corporate advice, funds management, underwriting and corporate administration
- Soda Inc (to be 37.5% owned by SPEL with SPEL having an option to buy an additional 26.3% from WHSP), a hair and skin care products distributor with products already in over 600 salons nationally
- Specialist Services (to be up to 38.84% owned by SPEL), providing high quality specialist medical services through consolidation of successful specialist clinics with an accessible "brand" name
- Austrgrains (to be 48% owned by SPEL), a niche supply chain manager of value added agricultural products to the food processing industry and a joint venture partner with Clover Corporation (28.5% owned by WHSP) to exploit a worldwide marketing and manufacturing licence for an innovative soy bean flour
- Cromford (to be 37.5% owned by SPEL with an option to buy the remaining 62.5% from WHSP plus its factory property), a manufacturer and distributor of polyethylene waterproofing film and dampcourse to the building and agricultural industry nationally
- InterRISK (to be 20% owned by SPEL), a corporate insurance broker and provider of risk advisory services, with other investors including Babcock & Brown (20%), Guinness Peat (20%) and Paul Cave (Bridgeclimb) (20%)

The manager will invest funds not invested in private equity principally in listed equities, which will be managed by Souls Funds Management.

Directors of SPEL are Messrs Robert Millner (chairman), David Fairfull (WHSP director and joint managing director Pitt Capital Partners), David Wills (former deputy chairman Pricewaterhouse Coopers Australia) and, as an alternate director for Mr Fairfull, Mr Geoffrey Hill (joint managing director, Pitt Capital Partners).

The SPEL offer opens on 8 November 2004 and underwriter and lead manager of the offer is ABN AMRO Morgans Corporate Limited. Co-Managers are Smith Barney Citigroup Australia Pty Limited and Ord Minnett Limited.

*The offers of shares and options under the IPO will be made in, or accompanied by, a copy of a prospectus lodged by SPEL with the Australian Securities and Investments Commission on 28 October 2004 and anyone wishing to acquire shares and options in SPEL will need to complete the application form that will be in or will accompany that prospectus.*

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**ISSUED FOR** : **SOULS PRIVATE EQUITY LIMITED**  
**FOR FURTHER**  
**INFORMATION** : **MR ROBERT MILLNER, CHAIRMAN, OR MR DAVID FAIRFULL, DIRECTOR, SOULS PRIVATE EQUITY LIMITED AND WASHINGTON H. SOUL PATTINSON AND COMPANY LIMITED, TEL: (02) 9210 7000**

**ISSUED BY** : **WESTBROOK COMMUNICATIONS, CONTACT IAN WESTBROOK, TEL (02) 9231 0922 OR 0407 958 137**

AI copy of this news release can be downloaded from [www.westbrookfin.com.au](http://www.westbrookfin.com.au) and a copy of the prospectus can be downloaded from [www.abnamromorgans.com.au](http://www.abnamromorgans.com.au)