Washington H. Soul Pattinson and Company Limited

A.B.N. 49 000 002 728

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9 April, 2003

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

Dear Sir,

FINANCIAL STATEMENTS – HALF YEAR ENDED 31 JANUARY, 2003

We refer to the Appendix 4B – Half Yearly Report lodged earlier today, and now enclose the following statutory reports to complete the Financial Statements for the half year ended 31 January, 2003:-

1. Statutory Directors' Report dated 9 April, 2003
2. Directors' Declaration dated 9 April, 2003
3. Independent Audit Review Report dated 9 April, 2003

Yours faithfully,

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

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Directors' Report

Half Year Ended 31st January, 2003

The Directors of Washington H. Soul Pattinson and Company Limited present their report and the financial statements of the parent entity and its controlled entities for the half year ended 31st January, 2003.

DIRECTORS

The Directors of the Company in office at the date of this report are:

Robert Dobson Millner
Chairman (Non Executive Director since 1984)

Michael John Millner
Deputy Chairman (Non Executive Director since 1997)

Peter Raymond Robinson B. Com.
Executive Director
Joined the Company 1978, appointed Director 1984

Graeme Lance Robertson B.A., M.A.I.E., F.A.I.C.D.
Non Executive Director since 1997

David John Fairfull B.Com., A.C.I.S., C.P.A., A.S.I.A.
Non Executive Director since 1997

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the company during the half year are:

	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee
Total number of meetings held:	6	2	1	1
Director:				
Mr. R.D. Millner *	6	2	1	1
Mr. P.R. Robinson	6			
Mr. M.J. Millner *	6	2	1	1
Mr. G.L. Robertson *	6	2	1	1
Mr. D.J. Fairfull *	6	2	1	1

* Denotes member of the Audit, Remuneration and Nomination Committees of Directors.

CONSOLIDATED FINANCIAL PERFORMANCE

The Profit of the Group, after tax before non regular and extraordinary items, attributable to shareholders for the half year ended 31 January, 2003 was $40.9 million, an increase of 28.5% over the previous corresponding period. The Group's coal operations have again been a strong contributor to the increase in profit as has the result from our equity accounted associate Brickworks Limited.

The Profit of the Group, after tax and non-regular items, was $45.4 million, an increase of 25.2% over the previous corresponding period. Profit on non regular items was $4.4 million arising from the sale of properties and shares.

DIRECTORS' REPORT (Cont.)

CONSOLIDATED FINANCIAL PERFORMANCE continued

Comparisons with the corresponding period last year are as follows:-

	2003 $000	2002 $000		% Change
Sales	187,688	196,391	-	4.4%
Profit after tax before non regular items	40,906	31,829	+	28.5%
Profit after tax and non regular items	45,361	36,233	+	25.2%
Share of Net Profits of Associates	21,129	14,563	+	45.1%
Earnings per share	19.0c	15.2c	+	25.0%
Interim Dividend	7.0c	6.0c	+	16.7%

DIVIDENDS

Directors have declared an interim dividend of 7.0 cents per share in respect of the half year ended 31 January, 2003 (2002 – 6.0 cents) an increase of 16.7% over last year's interim dividend. The dividend will be fully franked at the tax rate of 30% and paid on 8 May, 2003

Since the commencement of the financial year, the Company has paid a final dividend of 8 cents per share and a special dividend of 5 cents per share.

REVIEW OF OPERATIONS

INVESTMENTS – Share Portfolio

The Company's investment portfolio including unrealised gains returned 3.0% for the half year, compared to the Benchmark S&P/ASX 300 Accumulation Index of negative -2.1% for the same period. Share purchases during the period included an increased holding in Milton Corporation whilst disposals included, Patrick Corporation, Permanent Trustee Co and the Trust Co. of Australia Ltd. The Company continued to reduce its holding of Wattyl Limited during the period under review.

INVESTMENTS – Associated Entities

Australian Pharmaceutical Industries Limited (API) (Group shareholding 22.3%)

During the first half of this financial year WHSP's shareholding in API decreased to 22.3% as a result of API's acquisition of Interpacific's New Zealand and Australian businesses. As consideration the Interpacific Group was allotted 29.3 million shares or 12.9% of the enlarged capital.

In January, 2003 API announced their first half result for the period ending 31 October, 2002 recording sales of $1.1 billion, an increase of 23.0% on the corresponding period last year. Operating profit after tax was $14.4 million, a decrease of 11.2% on the same period last year.

The result was affected by significant non-recurring costs of $5.2 million relating to an increase in the provision for stock obsolescence ($0.9 million), a provision for the closure of the Northmead warehouse ($1.5 million), cost of developing a loyalty club program for API's banner groups ($1.0 million) and the write-off of costs associated with the proposed merger with Sigma Limited ($1.8 million). Constraints on the Pharmaceutical Benefits Scheme also affected API's result with its rate of growth halving from its peak in 2001/2002 to single digit levels in 2003/2004.

API maintained its interim dividend of 6.25 cents per share.

Brickworks Limited (Brickworks) (Group shareholding 49.8%)

Brickworks Limited reported a record profit of $32.7 million for the six months to 31 December, 2002, a 25.0% increase on last year's profit of $26.2 million. Buoyant housing demand, strong investment returns, property development and landfill operations all contributed strongly to the result.

The pre equity accounted result increased 60% to $32.5 million compared to $20.3 million in the previous corresponding period.

DIRECTORS' REPORT (Cont.)

The result reflects continued steady growth for Brickworks, with half year profit increasing threefold from $10.8 million in 1997.

Directors declared an increased fully franked interim dividend of 7 cents per share, up from 6.5 cents previously.

Solid demand from the housing industry allowed the clay products division to lift total sales by 30.0% to $96.4 million, resulting in a 22.0% increase in earnings to $18.1 million before interest and income tax.

Contributions to net profit before income tax were clay products 43.6%, associates, including its investment in Washington H. Soul Pattinson, 39.8%, other investments 10.1% and property development and waste management operations 6.5%.

Brickworks has announced that their third quarter of the 2003 financial year has started strongly with all plants except Eastwood operating over the traditional Christmas maintenance period. Results have also been boosted by the sale of the closed Brookvale plant contributing a pretax profit of approximately $4.0 million.

Clover Corporation Limited (Clover) (Group shareholding 28.5%)
Clover Corporation Limited's profit for the half year was $292,000. This positive result compared favourably with last year's loss for the same period of $2.5 million. The result for the half year to 31 December, 2002 included a profit from the newly formed Joint Venture Company, Nu-Mega Ingredients Pty. Ltd., as well as licence fees received from the US based company Martek Biosciences Corporation.

Clover has undergone significant structural reorganisation during the half year. The result of these changes has seen the Board of Directors reduced in number to 4, the cash burn rate reversed to show a positive cash flow for the period and the commencement of the Joint Venture Company Nu-Mega Ingredients Pty. Ltd. (Nu-Mega).

Nu-Mega, which is 70% owned by Clover, commenced operations in November, 2002. During the first two months of trading the company recorded sales of $1.4 million and a profit before income tax of $153,992. During this very short period the highly focused management team at Nu-Mega has continued the development of Omega³ DHA enriched foods with a number of major local and international companies, the most significant being the continued success of George Westons Omega³ DHA enriched Tip Top Up™ bread in Australia, in infant formulas throughout Australia, New Zealand and Asia and in drinking yoghurt products in Saudi Arabia.

The positive trend has continued into the second half of the financial year with Nu-Mega reporting sales of $2.4 million and a profit before tax of $424,840 for the two months of January and February, 2003.

In March, 2003 the International Nutritional Company of Denmark awarded a $4.0 million per annum contract to Nu-Mega to supply Omega³ DHA encapsulated powder for inclusion in their infant formula product for the South East Asian market. Supply will commence in March.

Again in March, 2003, Clover and Food Science Australia (CSIRO) were co-awarded the 2003 American Oil Chemists Society Corporate Achievement Award in recognition of the technological, commercial and perishable impact of their joint research in oil microencapsulation technology over the last five years.

CONTROLLED ENTITIES

Coal (New Hope Corporation Limited Group)
For the six months to 31 January 2003, the Group's share of profit after tax and outside equity interest of its 69.3% controlled entity New Hope Corporation Limited, amounted to $14.6 million, an increase of 59.1% over the previous corresponding period. The profit result was due to both increased coal production and coal sales during the six months.

Combined saleable coal production of New Hope Coal Australia and its associate P.T. Adaro Indonesia totalled 11.5 million tonnes for the period, an increase of 11% over the previous period's production of 10.4 million tonnes. Coal sales increased to 12.5 million tonnes over the same period representing a 10% improvement on prior corresponding period sales of 11.4 million tonnes.

Australian Operations
New Hope Coal Australia's after tax profit for the period was $9.2 million, an increase of $3.7 million or 69% over the previous corresponding period. The higher profit was due to higher sales tonnages and net selling prices and slightly lower costs of production. Sales revenue of $57.9 million was 12% higher than the previous corresponding 6 months.

DIRECTORS' REPORT (Cont.)

During the period under review, construction and commissioning of the New Acland mine was successfully completed. Production commenced during the period and is planned to increase to the rate of 2 million tonnes per annum by July 2003. New Acland is designed to replace the reduced output from the Jeebropilly mine near Ipswich in the second half of this financial year. By the end of the current financial year, New Hope Australia plans to increase its total annual production to the rate of 3.0 million tonnes.

The associated company, Queensland Bulk Handling Pty. Ltd. (QBH) (50% owned by New Hope) reported a 45.5% increased profit compared to the same period last year, benefiting from higher export coal throughput. The other associated company, Queensland Commodity Exports Pty. Ltd. (33% owned by New Hope) returned a lower profit due to reduced export woodchip volumes with Japanese end-users during the six months.

Indonesian Operations
The Indonesian operations of PT Adaro Indonesia (Adaro) are located in Indonesia's South Kalimantan Province. New Hope owns 40.8% of Adaro.

During the period under review Adaro lifted production by 9% to 10.3 million tonnes and coal sales by 9% to 11.0 million tonnes. Export sales contributed approximately 60% of Adaro's total sales with the remainder being consumed domestically in Indonesia. Adaro's equity contribution to New Hope for the six months was $4.5 million after tax. This result was lower than the previous corresponding six months principally due to an increase in the corporate tax rate from 35% to 45% applicable to Adaro under its Contract of Work with effect from October 2002.

New Hope's 28.6% owned PT Indonesia Bulk Terminal (IBT) after tax contribution of $2.8 million was marginally down due to lower throughput in the six months caused by a breakdown in one of the unloading grab cranes in December 2002.

New Hope also benefited from its equity share of profits from Vindoor Investments (Mauritius) Limited, which operates a wholly owned trading subsidiary, Coaltrade Services (International) Pte. Ltd. (Coaltrade) in Singapore. Coaltrade has been established to be a trader of coal, and markets coal for a number of companies throughout the world, including Adaro. New Hope's share of Vindoor's profit for the six months was $6.2 million.

Media - NBN Television Limited (NBN)
NBN Television experienced a difficult trading period during the last six months as the advertising market showed no consistent signs of recovery and the impact of digital expenditure increased the Company's cost base.

NBN's profit after tax for the half year was $3.0 million which was 28.6% less than for the same period last year. Revenue was relatively flat at 1.2% greater than last year.

Advertising revenue fluctuated from month to month, ranging from a negative 4% to a positive 10% without any strong trending. The Company remains well positioned to take advantage of any advertising recovery because of its strong market share of 45% in Northern N.S.W.

During the period, the Company entered into a new affiliation agreement with the Nine Network and an increase in program fee is reflected in this period's result.

The Inquiry into Local News by the Australian Broadcasting Authority will have little impact on NBN, as it currently exceeds the draft minimum localism requirements being proposed by the ABA. It has been the strength of NBN's commitment to local programs and community involvement that is reflected in its high share of market revenue. This was highlighted in the December, 2002 quarter with NBN conducting an "Australian first" 6 Telethons in its Northern NSW/Gold Coast market, raising approx. $4.7 million for local charities working with youth related issues such as child abuse, youth suicide, drugs, homelessness and unemployment.

Telecommunications - SP Telecommunications Limited (SPT)
SPT is listed on the Australian Stock Exchange (ASX Code SOT) with the Group's shareholding being 56.6%.

SPT's profit after tax for the period attributable to shareholders was $2.1 million compared to $0.6 million for the previous corresponding period. Revenue for the six months was 69.0% greater than the same period last year, despite SPT's share of revenue from its joint venture operations with ntl Telecommunications not being included.

Soul Pattinson Telecommunications Pty. Limited's joint venture with ntl Telecommunications secured the contract with NSW Department of Education and Training (DET) in November, 2002 to provide broadband services to schools, high schools and TAFE campuses throughout N.S.W. The contract for the first installment of sites will contribute revenues in excess of $38.0 million over a full two year period. Rollout of services commenced in late January, 2003 and are expected to be completed around August, 2003.

DIRECTORS' REPORT (Cont.)

A further contract with DET was announced early April, 2003 to provide high speed broadband services to education sites in metropolitan, regional and rural areas of N.S.W. The total revenue to be earned by SPT from this contract is expected to be $22.0 million over a two year period.

In March, 2003, Kooee Communications Pty. Limited ("Kooee"), a wholly owned subsidiary of SP Telecommunications Limited ("SOT") reached agreement to form a joint venture with WIN Corporation Pty. Limited ("WIN") to expand Kooee's retail operations across the whole of the eastern seaboard. Kooee currently operates predominantly in the Northern N.S.W. and South East Queensland region targeting this market with a population of 1.9 million. In partnership with WIN, Kooee will now expand marketing and sales activities into Queensland, Victoria, Tasmania and the Southern N.S.W. regions. This will provide SOT with an exceptional growth opportunity, with the new market made up of nearly seven million people which is almost four times greater than that currently targeted.

Following the success in the Northern N.S.W. market SOT is confident of replicating the success in what is a significantly greater revenue market as a result of the joint venture with WIN.

Keith Harris & Co. Ltd.
Keith Harris & Co. Ltd. is listed on the Australian Stock Exchange (ASX Code HAK) and the Group has a 84.2% shareholding.

Group Revenue for the six months to 31 January, 2003 was $13.8 million a decrease of 11.9% on the previous corresponding period. Included in last year's revenues were proceeds from the sale of the Griffith processing facility.

Profit after tax for the period attributable to shareholders was $1.4 million, a decline of 32.3% over the same period last year. The profit comparison to last year has been distorted by the profit booked last year on the sale of the Griffith processing facility.

The Group's profit result for the six months was affected by a lower contribution from the Juice Division where trading conditions in pre-packed juices and drinks continued to be difficult, however, sales of concentrated product improved substantially on the previous year's result albeit at lower margins compared with pre-packed product. During the second half of the financial year the Sydney juice plant will be relocated to Redlands, Queensland, hence all juice manufacturing operations will be consolidated in one facility. This will improve productivity and increase efficiencies which will lead to lower overheads in this Division.

In the Food Division sales were down 2.8% on last year which resulted in a 3% decline in profit. Whilst margins improved in this Division, higher operating costs impacted on the result. It is expected that costs will fall in the second half of the year. Although Keith Harris Far East, based in Singapore, posted a satisfactory trading result, the recorded profit declined by 51.4% due to start-up costs associated with the Company's Indonesian Joint Venture which will be fully operational last quarter 2003.

Keith Harris & Co. Limited has declared a fully franked interim dividend of 7.0 cents per share.

DIRECTORS' INTERESTS
The relevant interest of each Director in the share capital of the Company, as notified to the Australian Stock Exchange in accordance with section 205G of the Corporations Act 2001, at the date of this report is as follows:-

	Ordinary Shares
Mr. R.D. Millner	15,788,300
Mr. M.J. Millner	15,423,280
Mr. P.R. Robinson	74,210
Mr. G.L. Robertson	140,000
Mr. D.J. Fairfull	40,000

DIRECTORS' REPORT (Cont.)

ROUNDING OFF

The amounts contained in the accompanying financial statements have been rounded off to the nearest one thousand dollars under the option available to the Company under Class Order 98/0100.

Dated at Sydney this 9th day of April, 2003.

Signed in accordance with a resolution of the Directors:

R.D. MILLNER

M.J. MILLNER

WASHINGTON H. SOUL PATTINSON AND COMPANY LIMITED
A.C.N. 000 002 728

DIRECTORS' DECLARATION

The directors of Washington H. Soul Pattinson and Company Limited declare that:

1. The accompanying financial statements and notes, in the form of Appendix 4B of the Australian Stock Exchange Listing Rules;

   (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) give a true and fair view of the Company's financial position as at 31 January, 2003 and of its performance for the half year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors, for and behalf of the Board by:

R.D. Millner
Director

M.J. Millner
Director

Dated at Sydney this 9th day of April, 2003.

INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF
WASHINGTON H. SOUL PATTINSON AND COMPANY LIMITED

Scope

We have reviewed the financial report of Washington H. Soul Pattinson and Company Limited in the form of the Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules for the half year ended 31 January 2003, but excluding the following sections:

(a) compliance statement;
(b) comments by directors;
(c) NTA backing;
(d) Notes; and
(e) Directors' Report.

The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half year or from time to time during the half-year. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to express an opinion on them to the members of the company, as to whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements, statutory requirements and ASX Listing Rules as they relate to Appendix 4B, so as to present a view which is consistent with our understanding of the economic entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission and the Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to enquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and accordingly do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Washington H. Soul Pattinson and Company Limited is not in accordance with:

(a) the Corporations Act 2001, including:

  i) giving a true and fair view of the economic entity's financial position as at 31 January 2003 and of its performance for the half year ended on that date; and
  ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other professional reporting requirements in Australia and ASX Listing Rules as they relate to Appendix 4B.

Inherent uncertainty regarding investment in associated company

Without qualification to the statement expressed above, attention is drawn to the following matter. As at 31 January 2003, an Associated Company has a contingent liability in regard to VAT input receivable amounting to gross USD$23,591,374. The VAT input receivable is the subject of discussions between the Indonesian Departments of Finance and Energy & Resources. The outcome of these discussions and any action that may be taken by these Departments is uncertain. The ultimate outcome of this matter cannot presently be determined with an acceptable degree of reliability. No adjustment to the carrying amount of investments in associated companies that may result from adverse action by the Indonesian Departments has been made in the financial report.

Moore Stephens WI

C McCULLAGH
PARTNER
Dated: 9 April 2003

MOORE STEPHENS WI
Sydney