WHITEFIELD

Quarterly Report To Shareholders
July 2007

FINANCIAL OUTCOMES

	3 Months to 30 Jun 07	3 Months to 30 Jun 06	Change
Investment Revenue	$2,511,911	$1,864,815	+34.7%
Profit Before Tax & Realised Gains	$2,261,445	$1,606,546	+40.8%
Income Tax Benefit/(Expense)	$250,466	$258,270	-3.0%
Profit After Tax before Realised Gains	$2,117,324	$1,568,176	+35.0%
Net Asset Backing Pre Deferred Tax Per Share	$5.22	$4.43	+17.8%
Net Asset Backing After Deferred Tax Per Share	$4.67	$3.99	+17.0%
Earnings before Realised Gains Per Share	3.5cps	3.1cps	+14.7%

[1] "Profit" and "Operating Revenue" in this table do not include realised capital gains or losses on investments.

DIVIDENDS AND ASSET BACKING

NET PROFIT AFTER TAX PER SHARE
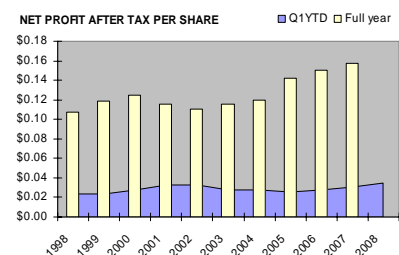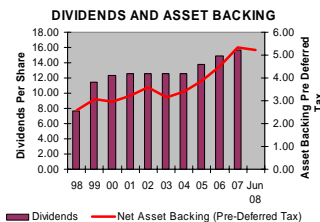
INVESTMENT STATISTICS

	WHF	All Industrials Accum Index
Last Quarter	0.72%	2.90%
2 Years + FYTD	22.90%pa	23.03%pa
4 Years + FYTD	22.33%pa	22.25%pa
9 Years + FYTD	12.79%pa	12.49%pa

ACCUMULATED PERFORMANCE WHF & ASX200 INDUSTRIALS
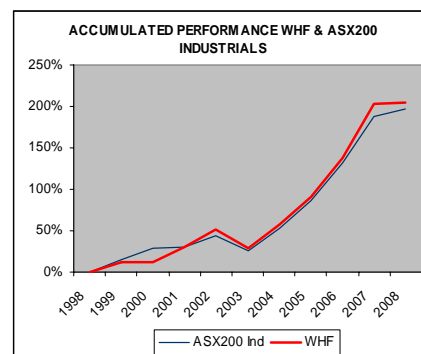
TOP 20 HOLDINGS

At 30 Jun 07	$m's
1. National Australia Bank	23.4
2. Woolworths	23.1
3. CSL	21.2
4. Brambles	19.9
5. Commonwealth Bank	18.9
6. ANZ Banking Group	16.8
7. Macquarie Bank	16.0
8. PBL	14.2
9. Westpac Banking Corp.	12.4
10. News Corp. Class A	9.0
11. Seven Network	8.6
12. HFA Limited	7.6
13. Resmed	7.6
14. Telstra	7.2
15. Macquarie Airports	7.2
16. Boart Longyear	7.8
17. Challenger Financial	6.6
18. ABC Learning Centres	6.4
19. Harvey Norman	6.3
20. News Corp Ordinary	5.7

RESULTS COMMENTARY

We are pleased to report that Operating profit after tax and before realised gains for the first quarter of the financial year increased by 34.7% on the prior equivalent period. After allowing for share issues undertaken during the year, operating profit after tax and before realised gains per ordinary share rose by 14.7% to 3.5cps.

This strong rise in earnings was primarily driven by growth in investment income from Whitefield's holdings in Macquarie Bank, Metcash, Westpac, ANZ and National Aust Bank.

Net asset backing per share at 30 June 2007 before allowing for deferred capital gains tax was $5.22. After allowing for deferred capital gains tax the net asset backing per share was $4.67. Both asset backing measures were approximately 17% higher than at the same time one year ago.

Whitefield's investment portfolio generated a return for the quarter of 0.72%. Strong performances from our holdings in Altium, Toll Holdings, Challenger Group, HFA Holdings,

Commonwealth Bank, CSL and Macquarie Bank were offset by lower returns from our exposure to Brambles, News Corporation, Aristocrat and Resmed.

CHANGES TO INVESTMENT EXPOSURES

Material transactions undertaken by Whitefield during the quarter involved:

- Building our holdings in ABC Learning Centres, Altium, Boart Longyear, HFA Holdings, Harvey Norman, Macquarie Airports, Publishing & Broadcasting, Resmed, Seven Network, Telstra Instalment Receipts, Woolworths
- Reductions in our exposures to Cochlear and Amcor
- Exiting our holdings in Alinta and Coles Group

OUTLOOK

At this time we continue to highlight the underlying upwards pressure on inflation, both within Australia and globally. With commodity and oil prices continuing to remain at high levels, labour markets remaining exceptionally tight and economic growth firm, the drivers of inflation have not dissipated.

Evidence of emerging price inflation can be seen in the costs of many domestically sourced items such as foodstuffs and services. In Australia these areas of pricing pressure have been offset by falls in the prices of imported goods, which have become cheaper as the Australian dollar has risen.

This combination of both rising and falling prices has allowed the Reserve Bank to keep interest rates relatively stable over recent months. Notwithstanding this, the strength of economic growth and the emerging upwards pressure on prices are likely to result in near term increases in the official cash rate by the Reserve Bank.

Some concerns have emerged in global investment markets over both the weakness in US housing as well as collapses in businesses exposed to sub-prime (low credit quality) debt. While these are valid concerns, which may create a moderate degree of short term market volatility, the general strength of corporate earnings and consumer spending are likely to provide a level of support for economic activity over the latter part of the 2007 calendar year.

At this time Whitefield continues to carefully position its portfolio with its strongest exposures towards stocks offering a level of future earnings capable of providing a robust rate of investment return over upcoming years, where those future earnings can be acquired at sufficiently attractive prices.

We have utilised the most recent episodes of market weakness to steadily build upon our preferred investment holdings.

SHARE PLACEMENT

Since the end of the financial year at 31st March Whitefield expanded its capital through the issuance of 7,081,068 shares to investors. Over this period shares were issued through the company's Dividend Reinvestment Plan to existing investors at a 2.5% discount to the market price of the company's shares, and through a placement made to wholesale investors. The placement of shares was undertaken after giving regard to both the estimated underlying net asset backing of the company's shares and the market price of the company's shares at the time of the issue.

The introduction of new investors into Whitefield and continued growth in the company's scale, provide ongoing benefits to all shareholders in Whitefield. Steady growth in scale enhances the company's ability to maintain a cost-efficient management expense ratio, a factor which is significant in its financial benefit to our shareholders over many future years. In addition, increased scale and shareholder numbers expand liquidity in the trading of Whitefield shares, assisting investors in their ability to buy and sell stock in the volumes they require, and at fair prices, without having to either pay an excessive premium nor accept an unattractive discount.

The Board of Whitefield warmly welcomes all new investors who have chosen to invest in the company alongside the Board, our investment personnel and Whitefield's many thousands of other shareholders.

Angus Gluskie
Chief Executive Officer