



WHITEFIELD QUARTERLY REPORT

FEBRUARY 2011

PERFORMANCE SUMMARY

At 31 December 2010

	Last Quarter %	One Year %	Three Years % ***	Ten Years %***
Before Tax Returns				
Total Portfolio	0.887%	(3.149%)	(8.376%)	6.078%
Benchmark*	0.722%	(2.504%)	(7.547%)	5.830%
After Tax Returns				
Net Asset Backing (pre-tax)** ¹	0.751%	(2.970%)	(8.481%)	4.201%
Net Asset Backing (post-tax)** ²	0.715%	(0.479%)	(5.226%)	5.594%
Share Price	(0.878%)	(8.465%)	(8.822%)	4.984%

* ASX 200 All Industrials (XJIAI) ** Including Dividends *** Annualised

- Investment returns based on net asset backing (pre-tax) represent investment returns prior to any provision for deferred tax liabilities or deferred tax benefits, but are after the payment of current tax at company rates on income and on realised capital gains.
- Investment returns based on net asset backing (post-tax) represent investment returns after provisions for deferred tax liabilities and benefits, including a provision for capital gains tax should the company's investments be realised in entirety.

FINANCIAL OUTCOMES

	9 Months to 31 Dec 10	9 Months to 31 Dec 09	% Change
Investment Revenue	\$6,964,700	\$6,388,187	9.0%
Profit Before Tax & Realised Gains	\$6,409,617	\$5,828,762	10.0%
Income Tax Benefit/(Expense)	(\$289,531)	(\$760,928)	(62.0%)
Profit After Tax before Realised Gains	\$6,120,087	\$5,067,834	20.8%
Earnings before Realised Gains Per Share	9.9cps	7.6cps	30.2%

RESULTS COMMENTARY

Whitefield reports an operating profit after tax of \$6,120,087 for the nine months to 31 December 2010. After allowing for changes in share capital over the period, earnings per ordinary share rose by 30% to 9.9 cents.

As anticipated at Whitefield's half year, Whitefield's operating profit continues to benefit from increases in dividends on many of the company's investment holdings. With the earnings of many companies in the prior year cyclically depressed as the result of the financial crisis conditions at that time, the relative rate of increase in those companies' earnings and dividends in the current year has been strong.

Of note in the last quarter were material increases in dividends from the company's investments in Incitec Pivot, Macquarie Group, Computershare, ANZ Bank and Westpac Bank.

Whitefield's investment portfolio generated a total return of 0.89% for the quarter, bringing total returns for the last six months since the low point in the market at June to 9.6%. Portfolio returns over the last 3 and six month periods respectively are 0.16% and 1.31% higher than the ASX200 Industrials Accumulation Index over the same periods.

Strong returns within the quarter were delivered from many of the company's investments including Seven Group, ASX, Cochlear, Brambles, Lend Lease, Incitec Pivot, HFA, Challenger Group, CSL and Computershare.

NET TANGIBLE ASSETS

At 31 December 2010

NTA (post-tax)	\$205.9 million
Shares on Issue	61,176,470
NTA per share (pre-tax)	\$3.29
NTA per share (post-tax)	\$3.37
Share Price	\$2.90
(Discount)/Premium to NTA (pre-tax)	(11.85%)
(Discount)/Premium to NTA (post-tax)	(13.95%)

TOP 20 HOLDINGS

At 31 December 2010

	Fund %	\$'000
Commonwealth Bank Of Australia	11.30%	22,392
Westpac Banking Corporation	8.87%	17,561
ANZ Banking Group Limited	8.75%	17,329
National Australia Bank Limited	7.64%	15,142
Wesfarmers Limited	5.20%	10,298
QBE Insurance Group Limited	4.44%	8,794
Woolworths Limited	3.83%	7,584
Telstra Corporation Limited	3.49%	6,923
Macquarie Group Limited	3.39%	6,714
Seven Group Holdings Limited	2.43%	4,808
Asciano Group Limited	2.38%	4,708
News Corporation Inc Class NV	1.83%	3,624
MApp Group	1.82%	3,615
Fairfax Media Limited	1.77%	3,515
CSL Limited	1.76%	3,487
Toll Holdings Limited	1.65%	3,265
AMP Limited	1.55%	3,077
Suncorp Group Limited	1.53%	3,035
News Corporation Inc Class B	1.39%	2,760
Brambles Limited	1.39%	2,535

SECTOR BREAKDOWN

At 31 December 2010

	Fund %
Banks	37.95%
Industrials	13.31%
Financials Excluding Banks	15.91%
Consumer Discretionary	10.40%
Consumer Staple	9.37%
Health Care	4.38%
Telecommunication Services	3.63%
Materials	3.37%
Information Technology	0.96%
Utilities	0.72%

DIVIDEND

Whitefield expects to pay a fully franked final dividend for the year ended 31st March 2011 of 8.5 cents per ordinary share. This dividend would amount to 5.9% of the current share price, or 8.3% gross of franking credits.

WHITEFIELD AND SYLVASTATE MERGER

Whitefield advises shareholders that it expects to issue details on the merger of Sylvastate into Whitefield shortly. In its planning for the proposed merger, Whitefield has been careful to assess suitable points in both market conditions and each company's financial year to undertake the merger, with a view to maximising shareholder value and maintaining operational continuity.

CHANGES TO INVESTMENT EXPOSURES

Notable changes to investment exposures undertaken by Whitefield during the last quarter involved:

- An increase to the company's existing holding in QBE

OUTLOOK

Notwithstanding the severe recent weather events experienced across Australia, the primary drivers of economic activity for 2011 remain favourable.

Consumer conditions are likely to be supported by very strong employment, rising wages, firm house prices, and improving financial asset values. These positives for retail spending may come hand-in-hand with the reversal of the negative influences which have hindered spending over the last year.

A high Australian dollar and a global glut of flat screen televisions (both of which lower prices of imported goods), adverse weather events, a high level of overseas travel (which redirects consumer spending offshore) and consumers' high propensity to save rather than spend (which is currently at or above historic peaks) are predominantly cyclical or abnormal influences, many of which may not be repeated as 2011 progresses. Consequently the currently depressed retail sector has the potential to surprise on the upside as the year proceeds.

Business conditions appear generally favourable. Recent adverse weather conditions will slow the economy in the first quarter of 2011, however underlying economic growth is likely to be strong across the full calendar year. Capital spending intentions for 2011 in Australia are particularly high, reflecting activity levels in the mining and infrastructure sectors. This will be coupled with reconstruction work in flood and cyclone affected areas. In addition the strong employment trend and high level of business spending will have positive flow-on benefits for the service sector and financial industries.

In terms of monetary policy, it is also likely that the Reserve Bank's stance on official interest rates will be tempered by the necessity of supporting and encouraging reconstruction activity in weather-damaged areas. As a consequence, interest rates may remain lower than otherwise anticipated.

This broadly positive outlook for Australian activity has the potential to be accompanied by a decline in risk in Europe and a more meaningful resurgence in growth in the United States.

On balance we continue to expect these conditions to be favourable for many companies in which we invest in 2011, and expect to see this reflected in continued growth in Whitefield's investment earnings across the next year.

ANGUS GLUSKIE
CHIEF EXECUTIVE OFFICER



QUARTER ENDED 31 DECEMBER

TOP 5 CONTRIBUTORS TO PERFORMANCE FOR THE QUARTER

At 31 December 2010

	Portfolio weight	Contribution*
Seven Group Holdings Ltd	2.43%	0.542%
HFA Holdings Ltd	0.86%	0.367%
Telstra Corporation Ltd	3.49%	0.222%
QBE Insurance Group Ltd	4.44%	0.193%
Brambles Limited	1.39%	0.171%

TOP 5 DETRACTORS TO PERFORMANCE FOR THE QUARTER

At 31 December 2010

	Portfolio weight	Contribution*
National Australia Bank Ltd	7.64%	(0.290%)
Woolworths Limited	3.83%	(0.279%)
Harvey Norman Holdings Ltd	1.00%	0(.262%)
Toll Holdings Ltd	1.65%	(0.214%)
Wesfarmers Limited	5.20%	(0.154%)

*Contribution = weighted contribution to investment performance