



WHITEFIELD QUARTERLY REPORT

FEBRUARY 2015

PERFORMANCE SUMMARY

At 31 December 2014

	Last Quarter %	One Year %	Three Years % **	Thirty Years + YTD %**
Before Tax Returns				
Total Portfolio	6.581%	11.266%	22.223%	12.710%
ASX 200 Industrials Accumulation	7.029%	11.365%	21.826%	12.674%
ASX 200 Accumulation	3.112%	5.610%	15.143%	11.248%
After Tax Returns				
Net Asset Backing (pre deferred tax)* ¹	7.101%	11.209%	22.925%	12.112%
Net Asset Backing (post deferred tax)* ²	5.522%	9.267%	16.705%	11.948%
Share Price	2.275%	10.110%	25.114%	13.401%

*Including Dividends

** Annualised

- Investment returns based on net asset backing (pre-tax) represent the investment return prior to any provision for deferred tax benefits or liabilities, 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 14	9 Months to 31 Dec 13	% Change
Investment Revenue	\$12,643,564	\$11,789,019	7.2%
Profit Before Tax	\$9,399,684	\$8,769,047	7.2%
Income Tax Benefit/(Expense)	(\$505,286)	(\$561,850)	(10.1%)
Profit After Tax	\$8,894,398	\$8,207,197	8.4%
Earnings Per Share	11.7cps	10.8cps	8.0%

Note: Revenue, profit and earnings shown here represent underlying earnings and accordingly exclude demerger dividends.

RESULTS COMMENTARY

Whitefield Limited recorded a Profit after Tax of \$8,894,398 for the half year ended 31st December 2014. This result equated to growth of 8.0% in Earnings per Ordinary Share compared to the equivalent six months in the prior financial year.

Profit growth over the year to date continues to be driven through higher dividends from a majority of Whitefield's underlying investment holdings. The most notable increases for the year have come from ResMed, Incitec Pivot, Amcor, CSL, Leighton, Echo Entertainment, Fairfax Media, Macquarie Atlas, HFA Holdings, Boral, Perpetual, Macquarie Group, JB Hi-Fi, Suncorp, Asciano, Harvey Norman and Challenger.

The company's portfolio delivered a return of 6.58% for the quarter (S&P/ASX200 Industrials Accumulation 7.03%, S&P/ASX200 Accumulation 3.11%) and 11.27% for the last 12 months (S&P/ASX200 Industrials Accumulation 11.37%, S&P/ASX200 Accumulation 5.61%).

Over the last 3 years Whitefield's portfolio return amounts to 22.22%pa compared to the S&P/ASX200 Industrials Accumulation of 21.83%pa and is 7.08% per annum higher than the S&P ASX200 Accumulation of 15.14%pa.

Strongest performing stocks within the quarter included Qantas, ResMed, Westfield, Incitec Pivot, Amcor, CSL, Leighton, Echo Entertainment, Tabcorp, Commonwealth Bank, Aristocrat, Fairfax Media, Telstra and Goodman Group.

NET TANGIBLE ASSETS

At 31 December 2014

NTA (post-tax & preference shares)	\$325.9 million
Ordinary Shares on Issue	76,467,723
8% Cumulative Pref. Shares (Face Value)	\$23,790
Convertible Resetable Prefs. (Face Value)	\$40,000,000
NTA per share (pre-tax)	\$4.56
NTA per share (post-tax)	\$4.26
Share Price	\$4.23
(Discount)/Premium to NTA (pre-tax)	(7.24%)
(Discount)/Premium to NTA (post-tax)	(0.70%)

TOP 5 CONTRIBUTORS TO PERFORMANCE FOR THE QUARTER*

At 31 December 2014

	Portfolio Weight	Contribution
Commonwealth Bank of Australia	11.42%	1.450%
Telstra Corporation Limited	6.01%	0.718%
Westpac Banking Corporation	8.48%	0.542%
ANZ Banking Group Limited	7.28%	0.529%
National Australia Bank Limited	6.54%	0.438%

TOP 5 DETRACTORS TO PERFORMANCE FOR THE QUARTER*

At 31 December 2014

	Portfolio Weight	Contribution
Woolworths Limited	3.19%	(0.368%)
Seven Group Holdings Limited	0.89%	(0.223%)
Crown Resorts Limited	1.44%	(0.137%)
Computershare Limited	2.51%	(0.104%)
QBE Insurance Group Limited	1.88%	(0.078%)

*Contribution = weighted contribution to investment performance

SECTOR BREAKDOWN

At 31 December 2014

	Excluding Cash	Including Cash
Banks	34.23%	34.08%
Financials Excluding Banks	15.95%	15.88%
Industrials	9.15%	9.11%
Consumer Discretionary	7.96%	7.92%
Consumer Staple	7.18%	7.14%
Property	6.63%	6.60%
Health Care	6.27%	6.24%
Telecommunication Services	6.04%	6.01%
Materials	4.07%	4.05%
Information Technology	2.52%	2.51%
Utilities	0.00%	0.00%
Cash & Cash Equivalents		0.46%

CHANGES TO INVESTMENT EXPOSURES

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

- An increase in the breadth of stocks held within the portfolio funded by small reductions across the existing portfolio. These actions assist risk control through the diversification of our sources of investment return and increase our exposure to the mid-capitalisation segment of the market. At the same time these actions have the incidental effect of decreasing our exposure to some larger capitalisation holdings at a time when they are becoming increasingly expensive.
- Reductions in exposure to AGL, Challenger and Treasury Wines.
- Increases in exposure to Aristocrat, Wesfarmers, IAG, Platinum Asset Management, CSL, Transurban, Westfield and Scentre Group

DIVIDENDS

Whitefield currently expects to pay the following dividends in June 2015:

- 8.5 cents per Ordinary Share
- 350 cents per Convertible Resettable Preference Share [CRPS]
- 4.0 cents per 8% Preference Share

All dividends are expected to be fully franked.

NET ASSET BACKING

Net Tangible Asset Backing per Ordinary Share at the 31 December Quarter-End stood at \$4.56 (before deferred tax) and \$4.26 (after deferred tax).

This asset backing had risen to \$4.75 (before deferred tax) and \$4.39 (after deferred tax) at the last reported month-end of 31 January 2015.

OUTLOOK

At the present time, we consider the global economic outlook remains mildly positive for 2015. This theme of mild positivity is evident across many market sectors and geographies.

Consumer conditions in Australia continue to be lightly supported by accommodative interest rates, a small level of employment growth and firm asset prices. These conditions are being reflected in the moderately positive level of retail spending currently evident.

A strong housing market, positive financial markets activity, stable credit conditions and a falling Australian dollar are also likely to be favourable contributors to business activity in Australia across the upcoming year. Against this, a weak mining sector and poor engineering and construction activity are expected to continue to detract from the near term outlook.

While economic activity in the US has eased in the last months of the year, US growth is likely to continue into 2015 driven by strengthening employment, very loose monetary policy and moderate momentum in industrial production. Asian growth, although unspectacular, is expected to develop favourably with the continued efforts of the Japanese Government to support enhancements in business and consumer activity, and the Chinese economy experiencing a level of positive but lower economic growth.

European conditions are continuing to be impacted by the financial sanctions against Russia. This influence remains a risk for the European economy, however to date aggregate economic activity in Europe has been assisted by incremental improvements in the slowly recovering economies of other European Union participants and is likely to be influenced by the ECB's expanded monetary policy stimulus for the year.

The recent significant falls in oil prices are ultimately positive for consumers and many businesses around the world. In the near term however, these falls have some potential to destabilise those companies and governments that are dependent on oil revenues and are unable or unwilling to cope with such rapid change.

While it is clear that the falling oil price and Russian sanctions present a risk to markets in the first half of 2015, we consider that both these issues are ultimately capable of resolution.

Overall, we expect to see a positive outcome for the Australian equity market across 2015, however recognise that this may come with some volatility, particularly in the first half of the calendar year.

ANGUS GLUSKIE
CHIEF EXECUTIVE OFFICER



WHITEFIELD QUARTERLY REPORT

QUARTER ENDED 31 DEC 2014

TOP 20 HOLDINGS

At 31 December 2014

	%	Value \$'000
Commonwealth Bank Of Australia	11.42%	44,341
Westpac Banking Corporation	8.48%	32,939
ANZ Banking Group Limited	7.28%	28,272
National Australia Bank Limited	6.54%	25,412
Telstra Corporation Limited	6.01%	23,330
Macquarie Group Limited	4.45%	17,291
Wesfarmers Limited	3.86%	14,987
CSL Limited	3.39%	13,183
Woolworths Limited	3.19%	12,384
Brambles Limited	2.66%	10,325
Computershare Limited	2.51%	9,740
Twenty - First Century Fox Inc Class A	2.03%	7,901
Amcor Limited	2.02%	7,848
AMP Limited	1.93%	7,479
QBE Insurance Group Limited	1.88%	7,302
Westfield Corporation	1.54%	5,991
Lend Lease Group	1.54%	5,985
Scentre Group	1.53%	5,958
Suncorp Group Limited	1.49%	5,795
ResMed Inc	1.47%	5,691
Cash & Cash Equivalents	0.46%	1,806