



WHITEFIELD QUARTERLY REPORT

NOVEMBER 2011

PERFORMANCE SUMMARY

At 30 September 2011

	Last Quarter %	One Year %	Three Years % ***	Ten Years %***
Before Tax Returns				
Total Portfolio	(10.154%)	(9.177%)	(0.522%)	4.627%
Benchmark*	(8.207%)	(6.675%)	(0.331%)	5.297%
After Tax Returns				
Net Asset Backing (pre-tax)** ¹	(11.321%)	(11.411%)	(1.347%)	2.912%
Net Asset Backing (post-tax)** ²	(5.471%)	(4.718%)	1.352%	4.952%
Share Price	(7.037%)	(11.659%)	(1.589%)	3.279%

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

- Investment returns based on net asset backing (pre-tax) represent the investment return prior to any provision for deferred capital gains tax on investments which have not been sold at balance date, but are after the payment of tax at company rates on income and on capital gains on investments which have been sold.
- Investment returns based on net asset backing (post-tax) represent the investment return after making a provision for capital gains tax on investments held but not sold, and are after the payment of tax at company rates on income and on capital gains on investments which have been sold.

FINANCIAL OUTCOMES

	6 Months to 30 Sep 11	6 Months to 30 Sep 10	% Change
Investment Revenue	\$6,412,638	\$4,675,630	37.1%
Profit Before Tax	\$5,848,537	\$4,292,193	36.2%
Income Tax Benefit/(Expense)	(\$242,418)	(\$229,282)	5.7%
Profit After Tax	\$5,606,119	\$4,062,911	38.0%
Earnings Per Share	7.5c	6.4c	17.1%

RESULTS COMMENTARY

Whitefield is pleased to report an operating profit after tax of \$5,606,119 for the half year to 30 September 2011, representing an increase of 38.0% on the result from the equivalent half in the prior financial year. After allowing for changes in share capital over the period, earnings per ordinary share rose 17.1% to 7.5 cents.

Earnings growth was driven by single digit dividend increases across a large percentage of Whitefield's investments coupled with stronger dividend growth from holdings in Wesfarmers, the major banks, ASX, Challenger, News Corporation, IAG, Lend Lease, Incitec Pivot, Tabcorp and Cochlear.

Both the market overall and Whitefield's portfolio experienced soft returns over the half year as the result of growing concerns as to the US budget deficit and the solvency of the more financially fragile European financial institutions and Governments. Whitefield's portfolio generated a return of (13.316%). The All Industrials Accumulation Index returned (10.522%) over the same period.

Stronger contributors to portfolio returns for the half year included Whitefield's investments in Telstra, Map Airports, Wesfarmers, Resmed, Amcor and Crown. The broad market weakness in this period however saw adverse price movements across many other investments, with QBE, Macquarie, Cochlear and the retail sector impacted most severely.

NET TANGIBLE ASSETS

At 30 September 2011

NTA (post-tax)	\$234.4m
Shares on Issue	75,366,679
NTA per share (pre-tax)	\$2.82
NTA per share (post-tax)	\$3.11
Share Price	\$2.51
(Discount)/Premium to NTA (pre-tax)	(10.99%)
(Discount)/Premium to NTA (post-tax)	(19.29%)

TOP 20 HOLDINGS

At 30 September 2011

	%	\$'000
Commonwealth Bank of Australia	9.66%	20,534
Westpac Banking Corporation	7.58%	16,110
National Australia Bank	6.57%	13,959
ANZ Banking Group Limited	6.54%	13,895
Wesfarmers Limited	4.44%	9,437
Telstra Corporation Limited	4.32%	9,186
Woolworths Limited	4.07%	8,642
QBE Insurance Group Limited	3.19%	6,786
Macquarie Group Limited	3.04%	6,456
Seven Group Holdings Limited	2.62%	5,564
AMP Limited	2.34%	4,980
MAp Group	2.21%	4,707
Asciano Group Limited	2.03%	4,305
CSL Limited	1.76%	3,737
Crown Limited	1.59%	3,369
Brambles Limited	1.42%	3,015
Computershare Limited	1.36%	2,880
Westfield Group	1.29%	2,745
News Corporation Class A NV	1.28%	2,727
Suncorp Group Limited	1.25%	2,664

SECTOR BREAKDOWN

At 30 September 2011

Banks	34.33%
Financials Excluding Banks	15.13%
Industrials	14.29%
Consumer Discretionary	9.87%
Consumer Staple	9.63%
Telecommunication Services	4.89%
Health Care	4.18%
Materials	3.37%
Property	1.81%
Information Technology	1.62%
Utilities	0.88%

DIVIDEND

Whitefield has declared a fully franked interim dividend of 8.5 cents per ordinary share. The dividend will be payable on the 12th December, with an ex-date of the 21st November.

Whitefield's Dividend Reinvestment Plan will operate for the upcoming dividend.

CHANGES TO INVESTMENT EXPOSURES

More material changes to exposures undertaken by Whitefield during the last quarter involved:

- Increasing exposure to Crown, Computershare, Invocare and Commonwealth Property Office
- Modest reductions in exposures to the major banks and News Corporation

OUTLOOK

At this time we expect the Australian consumer to remain cautious over upcoming months in an environment characterised by low wages growth, softening employment, volatile investment markets, rising living expenses and an increased tax burden. While there is some potential for interest rates to continue to ease and stimulatory government measures to be introduced, these actions which would be favourable for the consumer are only likely to eventuate in an environment where global economic conditions continue to deteriorate.

Business conditions in Australia are also likely to remain subdued in the near term, impacted in turn by the cautious consumer, high Australian dollar, and weakening global demand.

While the Australian economy in its own right appears relatively resilient, supported by low government debt levels, tight housing market supply and low unemployment, the near term outlook is likely to continue to be dominated by the volatile macro events unfolding in Europe, the US and China.

Over upcoming months the US must finalise its deficit reduction strategy, an action which to date has been hindered by the polarised views of antagonistic political parties. European governments must also agree upon strategies to successfully recapitalise banks, expand their financial stability fund to support financially troubled economies, and implement their own tax increases and spending cuts to shore up budgets. The Chinese economy is currently confronted by slowing demand from Europe, tightening access to trade credit, indebted local governments and financially troubled developers.

These are a challenging array of hurdles, which if successfully addressed would open a path towards a more sustainable and widespread economic recovery. In the near term however, there is some potential for investor disappointment should Governments fail to develop and implement credible remedies, or should excessive Government spending cuts and tax increases overly stifle medium term economic activity.

In this environment, Whitefield is maintaining a conservative stance, while watching for the most appropriate opportunities to expand its investment holdings.

Whitefield expects to maintain its current fully franked dividend rate to shareholders for the full year to 31 March 2012.

ANGUS GLUSKIE
CHIEF EXECUTIVE OFFICER



QUARTER ENDED 30 SEPTEMBER

TOP 5 CONTRIBUTORS TO PERFORMANCE FOR THE QUARTER

At 30 September 2011

	Portfolio weight	Contribution*
Telstra Corporation Limited	4.32%	0.468
Wesfarmers Limited	4.44%	0.127
Virgin Blue Holdings	0.29%	0.030
ResMed Inc	0.71%	0.024
ASX Limited	0.79%	0.024

TOP 5 DETRACTORS TO PERFORMANCE FOR THE QUARTER

At 30 September 2011

	Portfolio weight	Contribution*
QBE Insurance Group Ltd	3.19%	(1.038)
National Australia Bank Ltd	6.57%	(0.983)
Commonwealth Bank of Australia	9.66%	(0.952)
ANZ Banking Group	6.54%	(0.888)
Macquarie Group Ltd	3.04%	(0.760)

*Contribution = weighted contribution to investment performance