WHITEFIELD

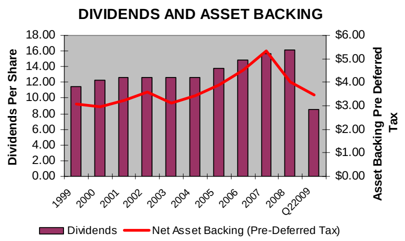
Quarterly Report To Shareholders

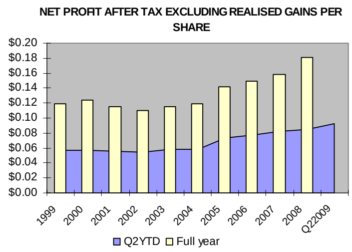
October 2008

FINANCIAL OUTCOMES

	3 Months to 30 Sep 08	3 Months to 30 Sep 07	Change
Investment Revenue	$7,440,633	$5,880,777	26.5%
Profit Before Tax & Realised Gains	$6,934,955	$5,321,981	30.3%
Income Tax Benefit/(Expense)	($534,058)	($234,277)	128.0%
Profit After Tax before Realised Gains	$6,400,897	$5,087,704	25.8%
Net Asset Backing Pre Deferred Tax Per Share	$3.46	$5.37	(35.6%)
Net Asset Backing After Deferred Tax Per Share	$3.50	$4.83	(27.5%)
Earnings before Realised Gains Per Share	9.25 cps	8.11 cps	14.1%

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

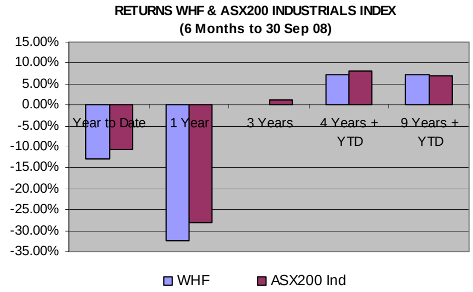




** Graph includes 1st half dividend for 2009 year only. Final dividend for 2009 to be declared after year end.*

INVESTMENT STATISTICS

	WHF	All Industrials Accum Index
Year to Date	(12.87%)	(10.70%)
1 Year	(32.30%)	(28.19%)
3 Years	0.04%	1.3%
4 Years + FYTD	7.31%	8.21%
9 Years + FYTD	7.15%	6.91%



TOP 20 HOLDINGS	
At 30 Sep 08	$m's
1. Commonwealth Bank	18.9
2. Woolworths Limited	17.8
3. National Aus. Bank	16.0
4. Westpac Banking Corp.	15.3
5. ANZ Banking Group	14.3
6. Telstra Limited	14.2
7. Brambles Limited	11.2
8. Macquarie Group Ltd.	10.6
9. Macquarie Infra. Group	10.2
10. CSL Limited	9.9
11. Fairfax Media Ltd.	8.5
12. Wesfarmers Limited	5.3
13. News Corp. Pref.	5.3
14. Toll Holdings Ltd.	5.2
15. Seven Network Ltd.	4.7
16. St George Bank Ltd	4.6
17. Asciano Group Ltd.	4.4
18. Crown Limited	4.1
19. AMP Limited	3.6
20. Macquarie Airports	3.4

RESULTS COMMENTARY

Whitefield's Operating Profit after tax and before realised gains for the six months to September 2008 amounted to $6,400,897, an increase of 26% over the corresponding period in the prior year. After allowing for changes in share capital over the year, earnings per share were 14% higher than the prior year. The continued earnings growth achieved within this half year is a pleasing outcome in an extremely difficult period for investment markets.

The company's investment portfolio generated a return of -12.9% for the half year, slightly less than the return of the All Industrials Accumulation Index of -10.7% for the same period. Whitefield's holdings in Challenger, QBE, ResMed, CSL, Cochlear, Woolworths, Telstra, Commonwealth Bank, St George Bank and Westpac Bank provided the best comparative performance relative to the market over the half year. The company's holdings in Macquarie Bank and the consumer discretionary sector constrained performance in this period.

Net asset backing before deferred tax stood at $3.46 at 30th September 2008, broadly unchanged from the asset backing at the close of the first quarter in June 2008.

DIVIDENDS

The company has declared an interim fully franked dividend on Ordinary shares of 8.5

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cents per share, an increase of 6.3% on the prior year. The dividend is payable on 28th November 2008 and has a record date of 14th November 2008. For tax purposes the dividend will be 100% attributable to LIC discount capital gains.

CHANGES TO INVESTMENT EXPOSURES

Material transactions undertaken by Whitefield during the quarter involved:

- Slight reductions to our exposure to Aristocrat, Asciano, Brambles, Boart Longyear, Fairfax Media, and Crown
- Increasing our holdings in Cochlear, ResMed, NAB, Westpac, Suncorp and ANZ Bank

OUTLOOK

The Australian economy (and many other global economies) are currently characterised by declining retail sales, a material slowdown in housing activity, falling asset values and high but falling interest rates. Profit growth for many corporations and employment, both lagging indicators of activity, are widely expected to weaken into 2009. Oil, metals and commodities markets are rapidly softening as growth expectations fall and the US dollar rises. This retreat of commodity prices represents an important and necessary factor likely to assist in the lowering of inflation over upcoming years.

The Australian central bank has cut the official interest rate by a total of 1.25%, and is likely to continue to cut rates further over the next year.

In addition to these fundamental economic changes, the global credit crisis has had a dramatic impact on markets. The benefits from falling interest rates have been more than offset by increasing risk margins being added to the commercial interest rates available to individuals and corporations. Heightened counter-party risk has limited the willingness of financial institutions to transact with one another, hindering the free operation of investment markets. Companies have been forced to de-leverage, selling assets and repaying debt where possible. Fear of loss and increasing perceptions of risk have seen the prices of listed shares fall markedly.

Importantly at this time many of the most immediate areas of risk stemming from the credit crisis are being addressed. Central banks are adding substantial levels of liquidity to markets. The process of recapitalisation, consolidation and de-leveraging within financial intermediaries is producing a suite of stronger ongoing participants. The support given by the US, Asian and European central banks to distressed financial institutions is steadily decreasing the chance of systemic risk.

While risks are still extremely high, it is important to consider that we may now have passed the point of highest risk for the financial sector. The actions which have been introduced over recent weeks, and which are likely to be implemented over subsequent months are providing incremental improvements for credit markets. Over upcoming months we expect to see credit costs move steadily lower, and financial activity progressively improve.

In these circumstances we expect to see:

- A meaningful and steady uplift in the market price of shares within the financial sector, as the large risk discount which has been applied to this sector is removed.
- A moderately significant recovery in the prices of shares carrying manageable levels of debt which have been heavily sold down during the heart of the credit crisis.
- Growing interest in professional investors' appetite for infrastructure stocks which offer stable long duration earnings at a time when long bond rates are falling.
- The consumer staple sector to continue to offer a comparatively robust source of earnings.
- Continued weakness in the Australian dollar providing a very material benefit to those companies with overseas earnings.
- A difficult and extended slowing in the earnings of heavily cyclical stocks exposed to very weak global economic activity.

Whitefield's portfolio carries a comparatively low exposure to heavy cyclicals, and a moderately strong exposure to healthcare, internationally derived earnings and financials, and is likely to be a net beneficiary should these developments occur over the next year. Notwithstanding these positives, there is no doubt that the widespread slowdown in economic activity will present many challenges to earnings growth for Australian companies in 2009 and into 2010, and that the development of a path to economic recovery following such a severe financial crisis is likely to occur over an extended period.

The very significant falls in the prices of listed shares in 2008 represent an occurrence that occurs only a handful of times every century. While we are all thankful that these circumstances do not occur more frequently, it is these extreme market gyrations that can create opportunities for careful investors.

Angus Gluskie, Chief Executive Officer

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