



WHITEFIELD QUARTERLY REPORT

NOVEMBER 2010

PERFORMANCE SUMMARY

At 30 September 2010

	Last Quarter %	One Year %	Three Years % ***	Ten Years % ***
Before Tax Returns				
Total Portfolio	8.587%	(3.397%)	(9.803%)	6.219%
Benchmark*	7.466%	(2.287%)	(8.666%)	5.431%
After Tax Returns				
Net Asset Backing (pre-tax)** ¹	8.738%	(5.073%)	(10.187%)	4.410%
Net Asset Backing (post-tax)** ²	6.832%	(0.964%)	(6.283%)	5.698%
Share Price	3.436%	(6.428%)	(9.146%)	5.502%

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

- 1 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.
- 2 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 10	6 Months to 30 Sep 09	% Change
Investment Revenue	\$4,675,630	\$4,275,256	9.4%
Profit Before Tax & Realised Gains	\$4,292,193	\$3,920,756	9.5%
Income Tax Benefit/(Expense)	(\$229,282)	(\$290,036)	(20.9%)
Profit After Tax before Realised Gains	\$4,062,911	\$3,630,720	11.9%
Earnings before Realised Gains Per Share	6.4c	5.5c	11.9%

RESULTS COMMENTARY

Whitefield is pleased to report an operating profit after tax of \$4,062,911 for the half year to 30 September 2010, representing an increase of 11.9% 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 by 17.5% to 6.44 cents.

The uplift in earnings was driven by dividend increases from many of Whitefield's investments. Of particular note were large percentage increases in dividends from Commonwealth Bank, Perpetual, Macquarie Group, Computershare, Leighton and Harvey Norman.

Whitefield's portfolio generated strong investment returns across the second quarter of its financial year, with a portfolio return of 8.59%, 1.12% higher than the All Industrials Accumulation Index return over the same period. Returns over full six months amounted to (6.16%) reflecting the adverse market conditions during the 1st quarter of the financial year.

The stronger contributors to portfolio returns for the last quarter included Whitefield's investments in Macquarie Atlas, Intoll, Incitec, Qantas, Virgin Blue, Seven Group, Downer, Wesfarmers and Myer.

NET TANGIBLE ASSETS

At 30 September 2010

NTA (post-tax)	\$203,496,151
Shares on Issue	59,205,111
NTA per share (pre-tax)	\$3.36
NTA per share (post-tax)	\$3.44
Share Price	\$3.01
(Discount)/Premium to NTA (pre-tax)	(10.42%)
(Discount)/Premium to NTA (post-tax)	(12.50%)

TOP 20 HOLDINGS

At 30 September 2010

	Fund %	\$'000
Commonwealth Bank Of Australia	11.88%	22,569
Westpac Banking Corporation	9.67%	18,375
ANZ Banking Group Limited	9.25%	17,574
National Australia Bank Limited	8.52%	16,190
Wesfarmers Limited	5.57%	10,584
Woolworths Limited	4.27%	8,110
QBE Insurance Group Limited	3.50%	6,649
Macquarie Group Limited	3.46%	6,580
Telstra Corporation Limited	3.42%	6,501
Asciano Group Limited	2.56%	4,871
Seven Group Holdings Limited	2.03%	3,852
Toll Holdings Limited	1.98%	3,761
Fairfax Media Limited	1.94%	3,679
MAP Group	1.86%	3,530
News Corporation Class A NV	1.83%	3,480
CSL Limited	1.67%	3,176
Suncorp-Metway Limited	1.67%	3,172
AMP Limited	1.56%	2,973
News Corporation Class B	1.43%	2,715
Harvey Norman Holdings Limited	1.33%	2,535

SECTOR BREAKDOWN

At 30 September 2010

	Fund %
Banks	39.39%
Industrials	13.39%
Financials Excluding Banks	14.07%
Consumer Discretionary	10.90%
Consumer Staple	9.85%
Health Care	4.03%
Telecommunication Services	3.43%
Materials	3.28%
Information Technology	0.89%
Utilities	0.77%

DIVIDEND

Whitefield has declared a fully franked interim dividend of 8.5 cents per ordinary share. The dividend will be payable on 7th December, with an ex-date of 16th November.

SHARE PURCHASE PLAN

Whitefield is running its Share Purchase Plan at the present time. Under the Plan eligible shareholders may acquire up to \$15,000 of shares at a price which is the lower of \$3.00 per share or a 2.5% discount to the weighted average value of WHF shares traded on the ASX in the five trading days prior to and including the 26th November, 2010. The Share Purchase Plan closes on 26th November 2010. The Share Purchase Plan provides shareholders with a convenient and cost effective way to acquire shares in the company. Asset backing per share (prior to any deferred tax benefit) at 31st October amounted to \$3.36. Asset backing including deferred tax benefits at 31st October amounted to \$3.44 per share.

WHITEFIELD AND SYLVASTATE

Whitefield advises shareholders of its continuing commitment to the planned merger of Sylvastate into Whitefield over upcoming months. The Boards of both companies are finalising the proposed Scheme of Arrangement to be put to shareholders over upcoming months. Whitefield recognises that shareholder value may be best served by ensuring that a merger is executed in suitable market conditions and at a suitable point in each company's financial year.

CHANGES TO INVESTMENT EXPOSURES

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

- Modest reductions to our overweight exposures to Challenger Group, Fairfax Media and Resmed
- Exiting our overweight holding in Intoll which has been the subject of a takeover offer.

OUTLOOK

At this time we continue to see positive developments in a range of underlying economic fundamentals. Australian consumer conditions appear favourable, supported by firmer housing and financial asset prices, robust employment and higher wages growth.

Local corporate conditions in turn are being boosted by the strengthening consumer, improving investment spending, an uplift in business to business services and a resurgence in some areas of construction.

Rising interest rates have the potential to temper the strength of growth in Australia, however it must be remembered that the outright level of rates remains comparatively low, and some further rate rises are likely to be satisfactorily absorbed by both business and consumers.

While the growth outlook in some of Australia's trading partners such as Japan, Europe and the US is less favourable, we continue to see the emergence of incremental improvements in manufacturing and employment in these economies, although the pace of improvement has been slow. In the near term, part of the benefit of this growth will continue to be offset by cutbacks in some areas of government spending in those economies.

We are encouraged by the recent upswing in restructuring, merger and acquisition and markets activity, both in Australia and overseas. This activity can play an important role in increasing the speed with which economies and corporations can address and move beyond the residual legacy issues stemming from the financial crisis of 2008/9.

Whitefield expects to show further growth in its own dividend income and operating profit through the remainder of 2010 and into 2011.

**ANGUS GLUSKIE
CHIEF EXECUTIVE OFFICER**



QUARTER ENDED 30 SEPTEMBER

TOP 5 CONTRIBUTORS TO PERFORMANCE FOR THE QUARTER

At 30 September 2010

	Portfolio weight	Contribution*
Commonwealth Bank of Aust.	11.88%	1.044%
Wesfarmers Ltd.	5.57%	0.878%
Intoll Group	0.49%	0.874%
Westpac Banking Corporation	9.67%	0.862%
ANZ Banking Group	9.25%	0.842%

*Contribution = weighted contribution to investment performance

TOP 5 DETRACTORS TO PERFORMANCE FOR THE QUARTER

At 30 September 2010

	Portfolio weight	Contribution*
Telstra Corporation Limited	3.42%	(0.660%)
News Corporation Class B	1.43%	(0.095%)
News Corporation Class A NV	1.83%	(0.087%)
Macquarie Group Limited	3.46%	(0.083%)
QBE Insurance Group Limited	3.50%	(0.077%)