



WHITEFIELD QUARTERLY REPORT

NOVEMBER 2012

PERFORMANCE SUMMARY

At 30 September 2012

	Last Quarter %	One Year %	Three Years % ***	Ten Years %***
Before Tax Returns				
Total Portfolio	9.279%	20.565%	1.891%	6.633%
Benchmark*	9.797%	23.938%	4.164%	7.626%
After Tax Returns				
Net Asset Backing (pre-tax)** ¹	9.556%	20.771%	0.518%	4.800%
Net Asset Backing (post-tax)** ²	6.349%	13.761%	2.392%	5.946%
Share Price	11.154%	23.125%	0.590%	3.537%

* 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 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

	6 Months to 30 Sept 12	6 Months to 30 Sept 11	% Change
Investment Revenue	\$6,370,577	\$6,412,638	(0.7%)
Profit Before Tax & Realised Gains	\$5,622,449	\$5,848,537	(3.9%)
Income Tax Benefit/(Expense)	(\$300,246)	(\$242,418)	23.9%
Profit After Tax before Realised Gains	\$5,322,202	\$5,606,119	(5.1%)
Earnings before Realised Gains Per Share	7.0cps	7.5cps	(6.8%)

RESULTS COMMENTARY

Whitefield reports a net operating profit after tax (before fluctuations in equity values) of \$5,322,202 for the 6 months to 30th September 2012.

Earnings, and earnings per share in this half year were influenced by both positive and negative influences noted below:

- Underlying dividends and distributions were generally higher across the majority of Whitefield's investments. Notable increases included Asciano, ANZ Bank, Commonwealth Bank, CSL, IAG, InvoCare, National Australia Bank, Seven Group, UGL, Wesfarmers and Westpac Bank;
- Lower interest rates impacting on the return on cash holdings;
- A higher percentage of unfranked income relative to franked income accompanied by a slight increase in company tax expense;
- The merger of Sylvastate into Whitefield in the prior comparative period.

The company expects a clearer picture of underlying earnings growth to emerge as the financial year progresses.

The financial cost of the company's Convertible Resetable Preference Shares has been brought to account as an expense prior to the determination of Profit Before Tax.

Whitefield's investment portfolio returns over the last quarter were 9.3% compared to the returns of the All Industrials Accumulation of 9.8% and ASX200 Accumulation of 8.8%.

Best performing investment holdings for the quarter included Whitefield's positions in Altium, Clover, IAG, Resmed, CSL, Macquarie Group, the major banks, Suncorp, Downer, Wesfarmers, Brambles, Perpetual, AMP and Computershare.

NET TANGIBLE ASSETS

At 30 September 2012

NTA (post-tax & preference shares)	\$254.2 million
Ordinary Shares on Issue	75,777,739
8% Cumulative Pref. Shares (Face Value)	\$23,790
Convertible Resetable Prefs. (Face Value)	\$30,000,000
NTA per share (pre-tax)	\$3.21
NTA per share (post-tax)	\$3.35
Share Price 30 Sep	\$2.89
(Discount)/Premium to NTA (pre-tax)	(9.97%)
(Discount)/Premium to NTA (post-tax)	(13.73%)

TOP 5 CONTRIBUTORS TO PERFORMANCE FOR THE QUARTER*

At 30 September 2012

	Portfolio Weight	Contribution
Westpac Banking Corporation.	7.92%	1.442
Commonwealth Bank of Aust.	9.62%	0.965
ANZ Banking Group Limited	6.91%	0.895
Wesfarmers Limited	3.80%	0.691
CSL Limited	3.59%	0.580

TOP 5 DETRACTORS TO PERFORMANCE FOR THE QUARTER*

At 30 September 2012

	Portfolio Weight	Contribution
Seven Group Holdings Limited.	1.92%	-0.237
UGL Limited.	0.55%	-0.132
Fairfax Media Limited	0.29%	-0.097
Macquarie Atlas Roads Group	0.82%	-0.050
Echo Entertainment Group Ltd	0.37%	-0.047

*Contribution = weighted contribution to investment performance

SECTOR BREAKDOWN

At 30 September 2012

	Excluding Cash	Including Cash
Banks	33.57%	30.12%
Financials Excluding Banks	14.03%	12.59%
Industrials	11.76%	10.55%
Consumer Staple	8.72%	7.82%
Consumer Discretionary	8.48%	7.61%
Health Care	5.96%	5.35%
Property	5.45%	4.89%
Materials	4.86%	4.36%
Telecommunication Services	4.76%	4.27%
Utilities	1.36%	1.22%
Information Technology	1.04%	0.94%
Cash		10.28%

CHANGES TO INVESTMENT EXPOSURES

Larger changes to exposures undertaken by Whitefield since June 12 involved:

- Acquisitions of Computershare, Incitec Pivot, InvoCare, Macquarie Group and Orica
- Decreases in exposure to QBE Insurance and UGL.

DIVIDENDS

Whitefield has declared the following half year dividends:

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

*Initial period calculated in accordance with the Whitefield CRPS Terms.

All dividends shall be fully franked, and are payable on 12th December with a record date of 26th November.

OUTLOOK

Over the last quarter the underlying drivers of medium term economic growth have improved.

In Europe, the development of the European Stabilisation Mechanism and ECB bond buying program have provided a necessary platform of stability. While the latest European economic data remains generally weak, Greek manufacturing and export activity have shown growth for the first time in several years, suggesting that structural changes are having some beneficial impact.

In China and the USA, after a mid-year slowing, manufacturing, services activity, employment and housing data have all shown recent improvement.

These encouraging trends have given investors and businesses some confidence that international conditions are likely to develop favourably as we move into 2013.

On the domestic front the Australian economy has weakened. Capital expenditure plans have been reduced, unemployment has risen, and insolvency in small to mid-size enterprises has increased. These conditions however have prompted the Reserve Bank to lower official interest rates and to intervene in currency markets – both policy actions designed to encourage stronger consumer confidence and business activity in future periods.

At this time it appears likely that the improving international conditions and more supportive policy action from the Australian central bank should see the economic and financial outlook for many Australian industries improve through 2013.

Should conditions develop in this manner, we again highlight the likelihood that bond yields in Australia and overseas will rise from the extremely low levels reached in 2012, in turn resulting in the widespread selling of bonds and the allocation of investment funds back towards other asset classes including listed equities.

At this time there remain some risks to this outlook, including the ability for the US Congress to address the potentially adverse impact of government spending cuts in 2013 (the US “fiscal cliff”) and the requirement for European governments to make continued progress in formulating dual policies to encourage economic activity in the medium term while improving their budgetary position over the longer term.

In this environment, which contains both opportunity and risk, Whitefield has been progressively investing capital raised through the company’s issue of Convertible Resettable Preference Shares as suitable opportunities have presented themselves. Whitefield expects to continue this process over upcoming months.

ANGUS GLUSKIE
CHIEF EXECUTIVE OFFICER



WHITEFIELD QUARTERLY REPORT

QUARTER ENDED 30 SEPTEMBER 2012

TOP 20 HOLDINGS

At 30 September 2012

	%	Value \$'000
Commonwealth Bank Of Australia	9.26%	24,962
Westpac Banking Corporation	7.92%	21,342
ANZ Banking Group Limited	6.91%	18,632
National Australia Bank Limited	5.95%	16,048
Telstra Corporation Limited	4.31%	11,616
Wesfarmers Limited	3.80%	10,235
Macquarie Group Limited	3.73%	10,061
Woolworths Limited	3.71%	9,998
CSL Limited	3.59%	9,684
AMP Limited	2.71%	7,307
QBE Insurance Group Limited	2.21%	5,949
Crown Limited	2.00%	5,384
Seven Group Holdings Limited	1.92%	5,168
Asciano Limited	1.60%	4,325
Incitec Pivot Limited	1.60%	4,310
News Corporation Inc Class A NV	1.48%	3,990
Westfield Group	1.33%	3,599
Suncorp Group Limited	1.19%	3,204
InvoCare Limited	1.17%	3,159
Brambles Limited	1.17%	3,155
Cash & Cash Equivalents	10.28%	27,713