



SECOND QUARTER REPORT TO SHAREHOLDERS

	<i>Six Months Ended 30/09/02</i>	<i>Six Months Ended 30/09/01</i>	<i>Change</i>
OPERATING REVENUE	\$	\$	%
Investment Income from Dividends Interest, Trust Distributions	2,512,270	2,423,611	+3.7%
OPERATING PROFIT before Income Tax			
Investment Income less Expenses	2,313,376	2,225,269	+4.0%
INCOME TAX attributable to Net Investment Income	45,775	119,717	
OPERATING PROFIT after Income Tax			
From Investment Income	2,267,601	2,105,552	+7.7%
NET OPERATING PROFIT			
for each issued \$1 ordinary share	6.0 cents	5.6 cents	+7.7%
NET ASSET BACKING			
for each issued ordinary share at end of quarter			
Before Deferred Capital Gains Tax	\$3.18	\$3.28	
After Allowing for Deferred Capital Gains Tax	\$3.00	\$3.01	-0.3%
TOP 20 INVESTMENTS AT MARKET VALUE			
National Australia Bank Ltd	\$15,735,600	Westfield Holdings Ltd	\$3,122,470
ANZ Banking Group Ltd	\$6,918,800	Sylvastate Ltd	\$3,119,220
Westpac Banking Corporation Ltd	\$6,627,225	Reece Australia Ltd	\$2,989,800
Commonwealth Bank of Aust Ltd	\$4,812,725	Woolworths Ltd	\$2,759,530
QBE Insurance Group Ltd	\$4,790,040	Macquarie Bank Ltd	\$2,743,408
Telstra Ltd	\$4,716,300	Brambles Industries Ltd	\$2,533,212
News Corporation Ltd	\$3,719,910	CSL Ltd	\$2,435,420
Mayne Group Ltd	\$3,702,348	Wesfarmers Ltd	\$2,407,450
AMP Ltd	\$3,673,800	Amcor Ltd	\$2,373,120
Perpetual Trustees Ltd	\$3,406,350	Fosters Group Ltd	\$2,182,835

COMMENTS

Results

The company's investment income rebounded strongly in the quarter to end the half year 4 % above income in the equivalent six months in the prior year. With a greater percentage of franked to unfranked income also being received as the result of the sale of our property trust holdings, the income tax expense fell significantly and in turn the operating profit *after tax* rose by 7.7% to \$2,267,601.

With the proceeds of the company's property trust sales progressively being reinvested in listed shares we continue to expect that comparison with the prior year will be difficult until a regular pattern of investment income is established.

The company's net tangible assets fell from \$3.27 at 31st March (after allowing for deferred income tax) to \$3.00 at the end of the half year, and from \$3.01 at the same time one year ago. Over this period the Australian share market as represented by the All Ordinaries Accumulation Index, generated a negative return of 11.3%, while the Whitefield investment portfolio produced a negative return of 10.9%, which was slightly above the market average.

Outlook

The Australian economy has continued to grow at a moderate rate with employment remaining strong and activity in the building and construction sector continuing at already high levels. These factors have been supported by the low outright level of interest rates, and (until the last quarter) surprisingly resilient exports which appear to have been buoyed by the low Australian dollar.

It is expected that the drought conditions across rural Australia combined with the current weakness in international markets will lead to a slight slowdown in the rate of reported economic growth in Australia over upcoming months.

International markets have continued to perform poorly, and concern over the possibility of military action in the middle east has also created increased uncertainty in the minds of investors.

While evidence of a recovery in international markets is yet to emerge, we believe that actions are currently being taken which are likely to produce an increasingly favourable international outlook. Many companies have addressed inventory levels, the rationalisation of marginal operators has served to enhance some industry structures, and corporate costs have been constrained. This has been accompanied by accomodative international monetary policy, as well as a moderate degree of fiscal encouragement.

On this basis, we expect to see increases in the dividends being declared by companies in which Whitefield invests through the remainder of 2002 and out into the 2003 calendar year. As mentioned in previous reports Whitefield's income is likely to differ somewhat from the prior year as the result of the company's property trust holdings being sold and the proceeds invested across our diversified portfolio of listed shares.

Dividend

The Board has approved the payment of an interim dividend of 6.3 cents per ordinary share and 4.0 cents per preference share. Both dividends will be fully franked, and will be payable on 26th of November, 2002. 100% of the dividend will be attributable to LIC Discount Capital Gains.

Whitefield holds a diversified portfolio of shares in order to generate a growing stream of dividend income. In the management of its investment portfolio, the company will periodically generate capital gains as it changes and refines the mix of stocks held. While the company continues to pay a dividend which approximates its net dividend income earned, the Board has attributed some or all of the dividends it has paid to LIC discount capital gains to ensure that shareholders are not otherwise paying a higher rate of tax on realised gains than that intended by the Australian Tax Office.

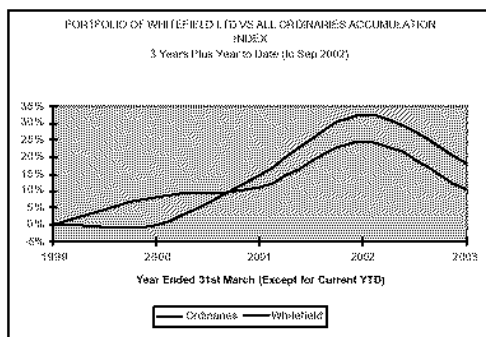
Portfolio Transactions

During the quarter the company slightly reduced its holdings across a number of its largest investments including National Aust Bank, ANZ, Westpac, Fosters, Reece, James Hardie, Publishing & Broadcasting, Soul Pattinson, Southcorp, BRL Hardy, GWA International, Coates and Peter Lehmann Wines. While many of these stocks remain key investments in which we hold significant overweight positions, the excellent performance of these same stocks meant that our exposure to each had become a disproportionate part of our portfolio.

The company increased its holdings (or in one or two instances established new holdings) in AMP, Brambles, CSL, Spotless Group, Brickworks, Challenger International, ASX, Tempo Services, Patrick, Energy Developments, Cochlear, Altium, Computershare, and KAZ.

Portfolio Returns

The performance of the company's investment portfolio over the last three years plus the half year to date is shown in the following chart.



A.Gluskie,
Chief Executive Officer