

QUARTERLY REPORT

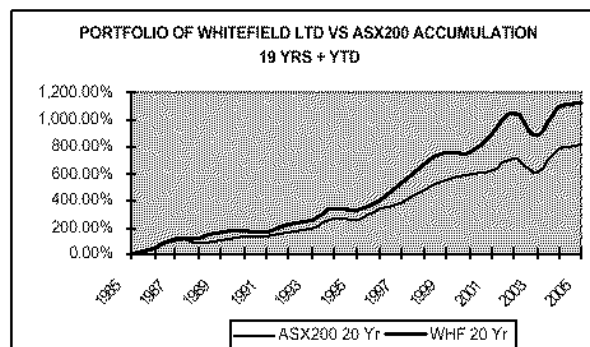
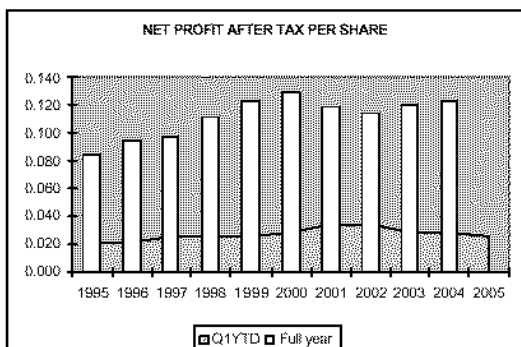
WHITEFIELD

1st Quarter, Ended 30th June, 2004

Report Issued: 2nd August, 2004

RESULTS			
Investment Objective	To generate a rate of return in excess of the market average over the longer term from investment in a diversified portfolio of listed Australian shares capable of generating dividend income and growth in dividends in current or future years.		
	3 Months to 30/6/04	3 Months to 30/6/03	Change
	\$	\$	%
Investment Revenue	1,212,681	1,191,176	+1.8%
Operating Profit Before Tax	1,086,513	1,091,655	-0.5%
Income Tax (Expense)/Benefit	24,288	16,311	
Operating Profit After Tax	1,110,801	1,102,978	+0.7%
Net Tangible Asset Backing Pre Deferred Tax	\$3.46	\$3.05	+13.4%
Net Tangible Asset Backing After Deferred Tax	\$3.21	\$2.91	+10.3%
	Whitefield	ASX200	
Investment return year to date	3.47%	4.37%	
Investment return 4 years plus year to date	8.94%	6.43%	
Investment return 9 years plus year to date	12.21%	11.03%	
Investment return 19 years plus year to date	13.90%	12.16%	
Management Expense Ratio for Last Full Year	0.32%	N/a	

* Investment returns greater than 1 year are shown as an annualised rate.



Portfolio Statistics					
No. of Holdings	46				
20 Largest Holdings	%	\$	%	\$	
1. National Australia Bank	9.5%	14,024,800	11. Fosters Group	2.9%	4,263,576
2. Commonwealth Bank	9.3%	13,617,755	12. CSL	2.9%	4,216,930
3. Westpac Banking Corporation	6.5%	9,593,760	13. Patrick Corporation	2.8%	4,112,334
4. ANZ Banking Group	6.3%	9,323,311	14. Brambles	2.7%	3,914,076
5. News Corp Preferred	6.0%	8,881,825	15. Amcor	2.5%	3,717,798
6. Telstra	5.6%	8,213,487	16. Publishing & Broadcasting	2.3%	3,442,515
7. Perpetual Trustees	4.0%	5,833,150	17. Wesfarmers	2.3%	3,386,880
8. Macquarie Bank	3.8%	5,513,970	18. AMP	1.8%	2,702,602
9. News Corp Ord	3.8%	5,643,868	19. Challenger	1.6%	2,386,806
10. Westfield Holdings	3.6%	5,308,534	20. Harvey Norman	1.5%	2,269,536

Results Commentary	
	The company's investment portfolio generated a return of 3.5% for the 1 st quarter of the financial year. While moderately strong in outright terms, this result was slightly below the return of the ASX200 Accumulation Index of 4.4% over the same period.
	Significant stocks held by Whitefield such as Perpetual Trustees, CSL, Patrick Corporation, Publishing & Broadcasting and Westfield Holdings all contributed strongly to portfolio returns over the quarter, however the easing in market value of National Australia Bank and Macquarie Bank detracted from the overall outcome.
	<i>Continued over...</i>

<p>Results Commentary (Continued)</p>	<p>Reflecting the positive overall investment outcome, net asset backing after tax increased from \$3.12 at the 31st March year end (after allowing for the final dividend) to \$3.21 at the end of the quarter. Net asset backing per share before allowing for deferred capital gains tax stood at \$3.46 at the end of the quarter.</p> <p>Whitefield's Investment income and operating profit after tax continue to be artificially skewed by the share issues and significant investment purchases made in the last twelve months. The latter factor affects the timing of dividend income receipts, resulting in some short term understatement of earnings. As a full year's earnings are generated from these purchases, a more accurate picture of income growth will become evident.</p> <p>Investments held by Whitefield which declared dividends in the last quarter were (on a weighted average basis) 3.8% higher than the prior year. Adding the impact of increases in share capital to this (11%), outright gross earnings are expected to be approximately 15% higher than the prior year.</p>
<p>Investment Transactions</p>	<p>During the quarter material investment transactions involved the company:</p> <ul style="list-style-type: none"> • Reducing exposures to Australian Stock Exchange and John Fairfax • Exiting our holdings in Trust Company and Kaz • Increasing our holdings in Amcor, Challenger and Patrick Corporation • Establishing investments in Leighton Holdings and Seven Network <p>Shortly after the quarter-end Whitefield exited its holding in the recently merged Westfield Group.</p>
<p>Investment Outlook</p>	<p>Domestic economic conditions remain moderately sound. Employment sits at 23-year highs, federal and state budgets collectively are likely to add around 1% to annual growth, discretionary retail sales although having slowed recently continue to grow at around 8% per annum, outright interest rate levels remain low, and both personal and corporate borrowing intentions are on the rise.</p> <p>Combined with strengthening conditions in Europe, Japan, and the US and continued demand for resources from China, the outlook for many Australian companies appears favourable.</p> <p>Notwithstanding these positives, other factors to be appreciated are (a) that underlying producer prices are escalating and this is ultimately likely to lead to higher inflation (b) central banks in Australia and the US are likely to continue to lift interest rates and (c) Chinese demand growth is highly volatile.</p> <p>We believe upcoming periods will be supportive for earnings and valuations in the media, financial, consumer discretionary and industrial sectors, and note that Whitefield's portfolio carries a relatively strong exposure to these areas.</p> <p>While current earnings in the insurance and retail sectors are likely to be extremely positive, we remain concerned that current share prices in these sectors imply that peak-of-cycle earnings margins are likely to be sustained over an extended period – notwithstanding evidence of significant increases in competitive pressures. Whitefield has limited its exposure to both sectors at the present time.</p> <p>Rising interest rates, a property market likely to stagnate for several years, and signs of competition-driven margin erosion have resulted in analysts downgrading their short term earnings expectations for the banking sector. We would be concerned if margin compression resulted in a long term reduction in bank earnings, however we note that while bank margins have temporarily been threatened by irrational competition at times over the last 30 years, banks have responded to restore profitability in each instance. We are somewhat comforted by the fact that bank valuations and share prices have not been excessive, and already factor in a level of inherent earnings risk, and that individual and corporate borrowing intentions actually remain strongly positive. Whitefield will continue to monitor our exposures in this sector closely.</p>

A.Gluskie
Chief Executive Officer