



## CHAIRMAN'S ADDRESS

91<sup>st</sup> Annual General Meeting of Shareholders

Tuesday, 22 July 2014

Whitefield is pleased to report an Operating Profit after Tax for the year ended 31<sup>st</sup> March 2014 of \$11,986,286. Total Comprehensive Income After Tax, which also includes capital growth on investments, amounted to \$39,425,132.

Operating Profit after Tax per Ordinary Share amounted to 15.75 cents, an increase of 16.8% compared to the prior year. Excluding the impact of one-off demerger distributions on investments, Operating Profit after Tax per Ordinary Share increased 6.7%.

Notable increases in Whitefield's dividend earnings came from the company's investments in ResMed, Aurizon, Perpetual, IAG, Boral, Macquarie Group, Suncorp, Leighton, Asciano, Macquarie Atlas and CSL.

The company's investment portfolio generated a return of 17.7% over the year to 31<sup>st</sup> March 2014, 2.2% higher than the return of the S&P/ASX200 Industrials Accumulation Index and 4.2% higher than the return of the S&P/ASX200 Accumulation Index.

Whitefield has declared and paid fully franked dividends on Ordinary shares of 17.0 cents for the year (consisting of 8.5 cent interim and final dividends). In addition the company has paid two 350 cent, fully franked dividends on Convertible Resettable Preference Shares.

Whitefield aims to provide investors with the benefits of exposure to a diversified portfolio of ASX listed industrial shares, including growth in underlying earnings and growth over the long term in asset backing, coupled with a cost efficient investment structure.

The company strives to provide the former through the consistent application of a soundly based investment strategy and process. Our strategy recognises the importance of utilising a long term investment time horizon, and seeks to avoid being swept up by the vagaries of short term sentiment. We seek to recognise the influence of fear and greed on the market and look to capitalise on the longer term opportunities and avoid the risks that these human biases create.

Over the last 20 years, the company's investment portfolio has generated a return of 9.6% per annum, reflected in growth in asset backing before tax per ordinary share of 4.8% per annum, and growth in earnings per ordinary share of 4.5%. An investment of \$10,000 in Whitefield in 1970 would at 31<sup>st</sup> March 2014 have been worth \$1,410,900, after the payment of expenses and company tax and assuming dividends were reinvested.

The 2014/15 year brings with it some new challenges. While Australian and global economic conditions are generally developing positively, political unrest in the Ukraine and the middle-east, and the prospect of tightening monetary policy in the US have some potential to destabilise investment markets across this period.

At this time we would expect Whitefield to generate a further year of growth in its underlying investment income and operating profit (excluding the influence of one-off demerger distributions reported in the year just ended).

We look forward to providing details on the company's progress in our regular Quarterly Reports to shareholders.

**David Iliffe, Chairman**