



## CHAIRMAN'S ADDRESS

93<sup>rd</sup> Annual General Meeting of Shareholders

Thursday, 28 July 2016

Whitefield is pleased to report a profit after tax of \$13,198,884 for the financial year ended 31<sup>st</sup> March 2016. This outcome represents earnings per Ordinary share of 16.6 cents, similar to the prior year outcome of 16.7 cents.

The large majority of our investments produced a strong level of earnings growth and dividend growth across this period. This favourable trend however, was offset by two other factors. Firstly a small number of special dividends were received in the prior year and were not repeated in the 2016 year. Secondly the process of broadening of our investment portfolio to 160 holdings also influenced the level and pattern of our dividend income.

The Company's investment portfolio produced a return of (6.75%) in a generally weak year for investment markets. Nevertheless, it is worth noting that the Company's investment portfolio return is ahead of the S&P/ASX200 Industrials Accumulation Index and ahead of the S&P/ASX200 Accumulation Index over both the short and long terms, including the 1, 2, 3 and 30 year periods.

In addition, once franking is included the Company's share price and dividend returns to investors over the last 3 years amount to 12.4% per annum, providing our shareholders with a return that is significantly above the current cash rate of 1.75%, and above the gross of franking return for the ASX200 which amounted to 6.8% per annum over the same period.

We have maintained our Ordinary share dividend at 8.5 cents per half year. With our earnings per share now very similar to the dividend rate, we would expect to be able to increase our ordinary dividend rate as and when our underlying earnings per share grows sustainably above the current dividend level.

Holders of the Company's Convertible Resetable Preference Shares have also continued to receive their regular \$3.50 half yearly dividend. All dividends for the year have been fully franked and all dividends expected to be paid for the upcoming year will continue to be fully franked.

The broadening of the Company's investment portfolio undertaken during the year has been beneficial. This action has provided us with a high level of investment diversity at a period of time when technology and innovation are likely to alter the economic status quo. Further, we were particularly interested and pleased to see the strength of investment return evident in many of our recent acquisitions.

As the Company's Chief Executive has outlined in his Review in the Annual Report and has commented on within his Presentation, we are also encouraged by some of the favourable dynamics emerging within the Australian economy. Most notably we see Australia's position as an attractive living destination providing a multi-decade tailwind which is likely to provide Australia with relatively high population growth and growing affluence during a period when other economies may be maturing.

These trends are likely to be of benefit over the longer term to the industrial and consumer segments of the Australian economy in which Whitefield invests, including consumer services, construction, housing, technology, financial services and leisure.

We will look forward to updating investors on the Company's progress and outcomes as the 2017 financial year progresses through our monthly NTA releases and quarterly reports.

**David Iliffe, Chairman**