Platinum® CAPITAL LIMITED

Chairman's address to the AGM on 22 October 2008

Listing Rule 3.13.3

Introduction

I will discuss the Company's investment performance, Corporate Governance, Dividends, comment on the outlook for 2008-2009 and Capital Management.

Performance

In the year ending on 30 June 2008, Platinum Capital's net asset value decreased by 17.2% pre-tax and by 13.8% after allowing for all tax liabilities, both realised and unrealised. For a comparison the benchmark Morgan Stanley Capital Index fell 19.8% for the 12 months.

This short-term performance should be seen in the context of the longer-term results, which are more than satisfactory. For the last 10 years compound annual appreciation of the Company's assets on a pre-tax basis has been 13.5% compared to the return from the MSCI of 1.4%. Since its inception in 1994, the compound annual appreciation of the Company's assets on a pre-tax basis has been, 13.4% compared to the return from the MSCI of 5.9%. The comparable return from the Australian All Ordinaries Accumulation Index has been 11.5% annually over the 14 years.

In the latest quarter to the 30th September the Company's NAV was up 3.84% after tax and by 6.15% on a pre tax basis. This compares to a 1.46% increase for the MSCI.

Platinum Capital's Net Asset Value at 30th September was $1.34 per share post tax and at 17th October it was $1.31.

Corporate Governance – International Accounting Standards

The Annual Report is prepared under Australian International Financial Reporting Standards, and therefore recorded profits or losses will be much more variable, as unrealised changes in the market value of the Company's investment portfolio are reflected through the profit and loss account. This year we saw realised profits of $12.8m being booked together with an unrealised market value movement of -$47.2m.

The longer-term movement of asset values continues to be a better measure of the performance of a listed investment company.

Dividends

A fully franked final dividend of 5 cents per share is proposed, making 10 cents for the full year as against 15 cents in the previous twelve months. After applying the mark to market accounting principle we incurred an after tax loss of nearly $24 million, last year, so this 10 cents distribution represents a continuation of our policy of smoothing payouts.

The Company is now is a position of having distributed virtually all previously retained earnings. Further dividend payments will, therefore, have to be entirely governed by future earnings.

Outlook for 2008-2009

The Investment Manager notes in its most recent Quarterly Investment Report that it is "becoming increasingly excited about the choice of companies that are now available" and it "can identify broad swathes of value across the globe". This is not to say that the Investment Manager is calling a bottom in markets generally, rather it sees particular opportunities.

Capital Management

At a number of previous AGMs shareholders have asked the Board to consider a Share Purchase Plan (SPP). In recent years, when our stock market price has stood at a substantial premium to per share net asset value, we have had reservations as to the desirability of such a plan, even on the basis of issuing stock at slightly below market price and free of brokers' commission.

This year we have no such reservation and accordingly are proceeding with an SPP. Shareholders will receive details along with their dividend statements.

The SPP will only be available to Australian and New Zealand shareholders and is limited to the investment of no more than $5,000 per shareholder and subject to a maximum of 30% of the fully paid ordinary shares on issue. Any shares subscribed to in the SPP will not qualify for this year's final dividend.

With regard to the wider issue of Capital Management, your Board, as advised by the Investment Manager, is of the opinion that the recent decline in world stock markets is throwing up some very attractive buying opportunities.

We believe, therefore, this is an opportune time to widen and deepen the Company's investment portfolio. Accordingly, your Board has announced a pro-rata renounceable 1 for 1 rights issue at $1.07 per share. This is a 10% discount to the last sale price of $1.19, on 13 October 2008 and represents a good discount to the Company's 30 September NAV of $1.34.

Finally

Finally, I strongly recommend reading the Manager's Quarterly Investment Report for its insights and a better understanding of the depth of analysis behind the investment decisions.

I wish to express my appreciation of the efforts of my fellow Directors.