PLATINUM CAPITAL LIMITED

Appendix 4E

Preliminary final report

Company	Platinum Capital Limited
ABN	51 063 975 431
Year Ended	30 June 2003
ASX Code	PMC

Results for Announcement to the market

			$A'000
Revenue from ordinary activities	down	84%	6,724
Profit/(loss) from ordinary activities After tax attributable to members	down	111%	(2,274)
Net profit/(loss) for the period attributable to members	down	111%	(2,274)

Dividends

Final Dividend	10 cents per share fully franked

Appendix 4E

Preliminary final report

Record date	31 October 2003
Payable date	10 November 2003
The last date for receipt of election notices for the dividend plan	31 October 2003

An interim dividend of 5 cents per share fully franked was paid on 28 February 2003.

- Refer to the attached audited financial statements for financial data on the Company.

- Refer to the attached for Chairman's Report and Investment Manager's Report.

Dividend Reinvestment Plan
The Dividend Reinvestment Plan is in operation and the recommended Final Dividend of 10 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at a five percent discount on the prevailing stock market price (calculated as the average closing price over the five business days subsequent to the date on which the shares cease to trade cum dividend).

M Halstead
6 August 2003

PLATINUM CAPITAL LIMITED
ANNUAL REPORT AS AT 30 JUNE 2003

INVESTMENT MANAGER'S REPORT

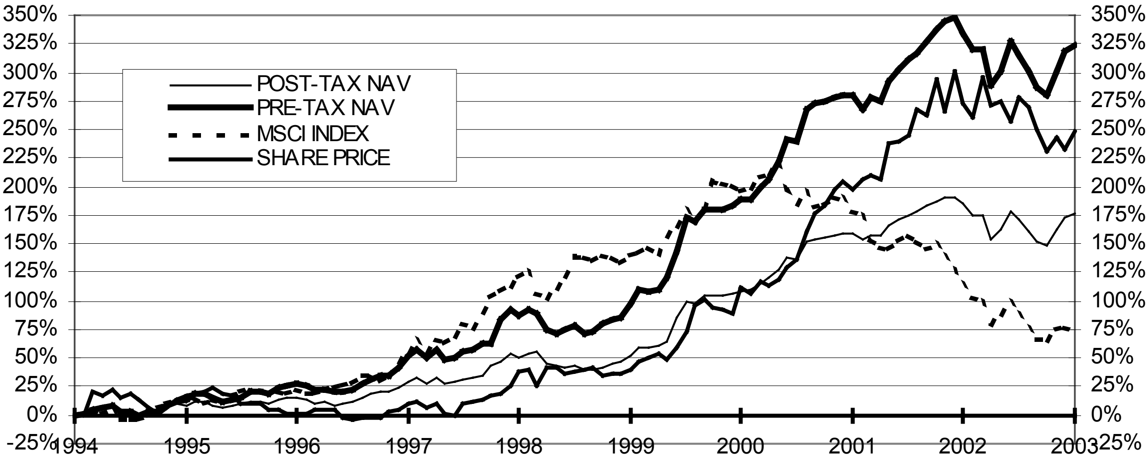
Performance

Over the year, the performance of the Company was disappointing in absolute terms as the pre-tax net asset value fell by 2.3%, but good in comparison to the Morgan Stanley World Index which fell 18.3% over the same period. Over shorter periods, the value of the Company's portfolio rose by 11.4% over the last three months and 2.1% for the six months pre-tax with the Morgan Stanley World Index rising by 5.5% and falling by 6.7% respectively.

The following Net Asset Value figures (cps) are after provision for tax on both realised and unrealised income and gains.

30 April 2003	31 May 2003	30 June 2003
147.52	153.50	155.46

PCL NAV (PRE & POST-TAX), SHARE PRICE VS MSCI INDEX
(CUMULATIVE RETURN SINCE INCEPTION)



After the harrowing sell-off in late February, associated with concerns about the invasion of Iraq and deteriorating economic news, returns from almost all asset classes in the first half of 2003 have been positive. True believers will now know that the Fed chairman does indeed have a magic wand! There will be sceptics like those left holding US dollars who have seen a good 14% drop (yoy) in their value relative to the euro or that barbarous relic, gold. This also gives a hint of the serious imbalances in the system, more of which later. But for now, investors are focusing on the ever cheapening trend of money worldwide, and are seeing nascent evidence that a general expansion is in the offing. The combination of these factors is inducing investors to seek remunerative places for their wealth other than cash.

The accompanying table shows how the various industry groupings fared in the last three, six and twelve month periods. Note that over the year it's all pretty glum, accentuated of course, by the 19% lift in the A$. Even in terms of the weak US$, the MSCI World Index is down 2.4%. Over the shorter span, there has been a clear move away from defensive consumer staples to those areas that benefit from discretionary spending.

MSCI WORLD INDEX – INDUSTRY BREAKDOWN (A$)

Sectors	3 mths	6 mths	1 year
Consumer Staples	-1.2%	-14.6%	-23.9%
Energy	-0.6%	-10.9%	-23.3%
Health Care	0.6%	-7.2%	-13.4%
Materials	2.4%	0.3%	-25.4%
Utilities	3.8%	-6.2%	-19.8%
Industrials	4.9%	-7.3%	-23.4%
Consumer Discretionary	7.9%	-4.6%	-19.9%
Information Technology	8.1%	-0.8%	-13.2%
Telecommunications	8.1%	-7.4%	-5.7%
Financials	9.3%	-5.6%	-20.0%

Source: MSCI

By country there was an equally interesting dispersion, with the seemingly most risky countries showing the best returns. Pakistan, Argentina, Venezuela, Sri Lanka and Israel have all risen more than 50% in US$ over the last year, while the large markets and those seen as sensitive to imports have been almost flat to down by no more than 16% in US$ at the extreme.

Disposition of Assets

GEOGRAPHICAL DISPOSITION OF PLATINUM ASSETS

Region	Jun 2003	Mar 2003
Western Europe	33.5%	33.0%
Japan	17.5%	20.9%
Emerging Markets (incl. Korea)	14.2%	12.4%
North America	12.8%	14.8%
Australia	0.3%	1.8%
Cash	21.7%	17.1%
Shorts: Equities	21.6%	34.0%
Japanese Gov't Bonds	8.9%	0.0%

Source: Platinum

BREAKDOWN OF PLATINUM PORTFOLIO BY INDUSTRY

Categories	Examples of Stocks	Jun 2003	Mar 2003
Cyclicals/Manufacturing	Schindler, Siemens, Bayer, Linde, Océ	22%	21%
Financials	Assicurazioni Generali, Allianz, Alleanza	11%	9%
Software/Media	Sky Perfect Communications, Seoul Broadcasting	8%	4%
Medical	Yamanouchi, Takeda, Draegerwerk, Novartis, Merck KGaA	8%	9%
Technology/Hardware	Agere Systems, Infineon Tech, Samsung, AMD	7%	8%
Gold and Other	Barrick Gold, Newmont Mining, Gold Fields	7%	9%
Consumer Brands	Citizen Watch, Adidas Salomon, Lotte Confectionary	5%	6%
Telecoms	Hellenic Telecom, Ericsson, NTT	5%	8%
Retail/Services/Logistics	Hornbach	5%	8%

Source: Platinum

Changes to the Portfolio

Earlier in the year we were aggressive buyers of various German multi-nationals which we believed had been grossly over-sold during the market collapse. The recent recovery in the share prices of these stocks, anything from 45% to 80% has been dramatic so we have reduced a number of our holdings and sold out of Metro completely.

There have been similar sharp movements in the prices of some IT and Microbiology stocks. We have switched out of Nvidia (share price +78%), National Semi (+16%), and Agere (+53%) and replaced them with Infineon Tech (the ex-Siemens DRAM chip maker), Agilent and Toshiba. In bio-techs we bought Vertex Pharmaceutical, which has a broad pipeline of potential clinical products directed at alleviating diseases from HIV to rheumatoid arthritis. At the same time we sold Millenium which had doubled on the excitement of its cancer drug.

On Wall Street we have been buying stocks which will benefit from the devaluation of the US dollar, particularly Weyerhaeuser and International Paper. These companies appeal to us because of their large lumber holdings and the fact that the global paper industry has consolidated and is more hesitant to add productive capacity.

We have also begun adding to our holdings in Japan believing that the market has now bottomed, paying particular attention to the trading houses and the general insurance companies. The traders attract our attention on account of the repositioning of their enormous balance sheets towards more concentrated investment in specific areas such as natural gas and resources. They have always been credited with high quality management but until they recognised the need to change their business emphasis this potential lay fallow. We believe the gearing from these changes over the last five years will now become apparent. The insurance companies are in a similar position. Having made good and rising profits throughout the economic malaise of the last twelve years, the industry has consolidated. We have bought share in the two largest players, Millea and Mitsui Sumitomo. Apart from their underlying profitability we like the fact that we are paying below book value and for each yen of net asset value they have over two yen in share market exposure.

We have positioned Platinum to participate in India in what we believe will develop into a major bull phase. This market has swung up and down several times in recent years. Current ratings look particularly attractive as corporate balance sheets are relatively strong, a lot of surplus capacity has been absorbed and profits are rising strongly. The government is expanding the money supply in an attempt to hold the value of the rupee steady against the US dollar and the banks are aggressively promoting consumer lending. We have acquired a range of companies from the State Bank of India and other recently privatised banks, to TV content and delivery provider ZEE TV, to the truck and car manufacturer, Tata Engineering.

Shorting

Being short of US equities has been an unprofitable exercise for the last six months. The injection of liquidity has reinvigorated even the most dubious financial intermediaries and provided renewed scope for earnings manipulation by the unscrupulous. We have responded by cutting our exposure but our speed of response was well short of optimal.

On the other hand, our short position in Japanese government bonds (JGBs) is working well. At their peak in price, JGBs yielded only about 0.5% for 10 years. They have subsequently fallen back to offer a yield of 1.1%. The sensitivity of the prices of these 10 year bonds to a 1% shift in yields is around 6.5% so since setting the position we have gained around 3%.

Currency

We remain principally hedged into A$, 59%, and own euros, Swiss Francs, yen and some Korean Won. Although the US$ may show some resilience in the short term, we have no intention of owning more US$.

Commentary

Since 2001 we have been writing about the three phases of a bear market and regard this most recent rally as part of this traditional pattern rather than the start of a major new bull phase in Western markets. Valuations are still high, particularly in the US, whilst the economic growth outlook is not exciting and the prospects for corporate earnings are cloudy.

It is worth considering the background. In the US an expansionary phase for corporate profits has extended back over 20 years with only brief interruptions. There have been two driving forces behind this phenomenal upsurge.

Firstly, there has been an enormous increase in consumer spending. The increase has been substantially in excess of economic growth, powered by a reduction in the savings ratio to zero or slightly negative. The main lending mechanism to consumers has been housing loans where (despite rising housing prices) owner equity levels have in aggregate fallen to record low levels. There has also been a willingness to lend unsecured to non-home owners (including those with poor credit records) and on automobiles. (Loans and leases secured by automobiles have shown startling growth and now total approximately US$1.1 trillion – or about US$10,000 per household.) Much of the mortgage and other debt has been securitised and is ultimately funded by foreigners.

Secondly, beginning with the Reagan tax cuts and defence build-up (and with a brief interregnum late in the 1990s), the US Government has borrowed at rates unprecedented outside wartime. Many of these borrowings are held by foreigners. The spending (and to some extent the lower tax rates) have been a boost to the economy – some of which has resulted in higher corporate profits.

After tax corporate profits in aggregate have risen from 3-4 per cent in the early 1980s to levels of approximately 6 per cent. (These levels are particularly high relative to history if you were to adjust historic depreciation rates for inflation.)

Further – the growing profit share has given the impression to investors that profits *"normally increase substantially faster than GDP"*. This is of course impossible – but its widely believed and acted upon. (Most companies appear to have earnings per share growth targets in double digits – something which suggests that individually they believe it is possible for them to beat the average.) We believe that investors perception about equities and profit growth are conditioned on the experience of the past two decades (rather than the last two years in which after-tax corporate profits have fallen to about 5 per cent of GDP). The last time a dominant economic power faced serious new "global" challenges, namely Britain in the last quarter of the 19th century, UK companies suffered intense margin pressure as cheap goods came in from abroad and export markets dried up.

Expanding asset prices (both housing and equities) have been further supported by falling interest rates. Since the early 1980s interest rates have fallen fairly continuously (there were rises in the late 1980s and again in 1994). The rate on US fixed rate mortgages has fallen from about 15 per cent to the current 6 per cent. These mortgages have an option feature which allows people to refinance any time interest rates fall sufficiently - either drawing cash out and keeping their payments the same or reducing their payment. Either way the lower rates have sharply increased the ability of consumers to spend and their willingness to pay up for houses.

Lower interest rates have had similar effects on equity valuations. However with wholesale short-dated interest rates at approximately 1 per cent (and longer dated rates below 4 per cent) we do not believe that there is much room to expand equity valuations through further reductions of interest rates.

Massive borrowing by the US has been made possible by a high level of personal savings in Asian countries in the context of a paucity of domestic investment opportunities by the near certainty of making a profit when holding steadily appreciating dollars and by the Mercantilist-type financial policies of those overseas governments who have paid more attention to the achievement of positive trade balances than to facilitating increased domestic consumption. If now we are to have a falling US dollar it will doubtless encourage exports in the medium term but the immediate effect will be to discourage foreign purchases of US bonds. The US government may be obliged to either cut spending or increase interest rates, ugly prospects both!

The economies of Continental Europe have experienced lesser levels of over-heating but their predominantly social democratic political philosophy has not been friendly to enterprise. There are a few encouraging signs as governments are starting to attack "feather-bedding" in the public sector and the recent IG Metall strike in Germany was abandoned to the considerable embarassment of the Union when some of its members walked across picket lines. On the other hand the E.U. faces a pressing short term problem caused by the reluctance of the ECB to reduce interest rates and the consequent rise in the price of the euro.

In contrast to these difficulties in the West we see hopeful signs in Asia. Central banks are pursuing more accommodative policies, the over-investment in industrial capacity in the mid 1990s is being absorbed and debt repayments have strengthened corporate balance sheets. The really big boost to Asia will not come until consumers become less defensive and government become less mercantilist. We don't know when either of these things will occur on a large scale but see encouraging early signs.

The difficulties of investing in Asia remain substantial. Company accounts are opaque, corporate governance is sometimes lax, government intervention is a constant worry. But while we see high valuations in the West and low valuations in the East, at least a modest shift in portfolio balance looks sensible. Careful stock selection is of even greater importance than usual.

A wild card emerging from the above analysis is the position of gold. In an uncertain world one thing more likely than most is currency instability. Further weakness in the US dollar would make the euro look overvalued. It would also make it increasingly difficult for those Asian and South America countries which have fixed exchange rates against the greenback to maintain the parity. There have already been quite excited calls for the Chinese to revalue the renminbi. In this scenario a lack of good alternatives could find gold emerging as a fashionable store of value. Its obvious disadvantage, its lack of yield, would not matter much in a low yield world.

Special Report – India

Platinum has monitored India since the early 1990s and two analysts have just spent nine days visiting the sub-continent, talking to government agencies and a range of companies.

On earlier visits we were concerned about valuations and the political will of the government to embrace change. Economic reform has been tantalisingly slow but despite this, the economy has grown faster than most through the nineties at around 5% pa. Under the present coalition headed by the BJP, the pace has accelerated. Privatisation of State banks and industrial enterprises is being accompanied by deregulation of State run industries. Import restrictions have been removed and tariffs reduced. Like other mixed economies, the government is faced with awkward choices as it removes distortions in one area, only to throw-up hardships elsewhere. In a working, if chaotic, democracy, where politicians are not always reliable, the outcry from these reforms can be thunderous. In several ways it reminded us of our experiences in Latin America in the early nineties. While still in the early stages and recognising that bad habits die slowly, the gains to efficiency are already clear. Most important of all is that once companies become truly private, the patronage enjoyed by politicians and top bureaucrats gradually withers.

An important element of deregulation is the opening up of the ports to private enterprise and the road building initiative. The so-called golden quadrilateral, to link up the great cities of Mumbai, Chennai (Madras), Calcutta and Delhi is due for completion in late 2004. The entire route of 5,846 kms will then be a four lane highway (sans cows), and will completely transform the movement of goods and people within the sub-continent. This is being complemented by the North-South/East-West corridor which is due for completion in 2007.

Evidence of obstruction to "Nirvana" is seen everywhere and probably the worst offenders are the ruling elite. Clearly many have benefited from influence peddling, though there is corruption at every level, and of great concern is weak tax enforcement. State expenditure accounts for approximately 20% of GNP, which is about twice what is raised by taxes. Fortunately there is a high savings rate which allows this deficit to be funded out of bond sales but it inhibits the Government's ability to help redistribute income. Continuation along the current course looks irreversible, but so it must be for our investment case to yield the enormous rewards that we hope will await long term investors.

Conclusion

We have been surprised at the continuing vigour of the stock market rallies in the first week of July. Selling pressure has completely subsided and money is evidently moving out of bonds into shares. The prospect of the Fed sitting on interest rates for some while has fired up investor's belief that the economy will respond positively.

It is probable that our shorts and currency positioning will detract from our performance in the short term although hopefully, our large exposure to Asia, and Japan in particular, will partially compensate. We could, it is true, attempt to fine-tune our way out of short term reverses but our experience is that it is wiser to concentrate on fundamentals and long term trends even if that involves a little pain.

Kerr Neilson
Managing Director

Chairman's Report

Investment Performance

In the Investment Manager's Report is a table showing how the share prices of various industry groupings performed over the three, six and twelve month periods to the end of June 2003. It shows a picture of a bear market that was widespread and persistent; in other words a market where there was nowhere to hide. In this context it is unsurprising, although nonetheless regrettable, that Platinum Capital's net asset value suffered a decline, albeit modest, of 2.3% pre-tax and 3.6% after allowing for all tax liabilities both realised and unrealised. This is in the context of the fall in our benchmark, the Morgan Stanley Capital Index of world shares, of 18.3% for the 12 months.

As has been the case in previous years' reports it is important to draw attention to the long-term investment performance of the Company since its inception in 1994. On a pre-tax basis the annualised return has been 17.3% compared to the return from the MSCI of 6.4%. Of interest, particularly to Australian shareholders is the comparable return from the Australian All Ordinaries Accumulation Index, which returned 5.6% pa over the 10 years.

Platinum Capital Limited – Pre-Tax NAV Return Versus MSCI World Index (%)

	1 year	3 years (compound pa)	5 years (compound pa)	Since inception (9 years) (compound pa)	Since inception (cumulative)
PCL	(2.33)	13.68	17.81	17.37	323.34
MSCI	(18.28)	(16.10)	(4.59)	6.41	74.94

Dividends

A final dividend of 10 cents is recommended, making a total of 15 cents for the full year, payable out of earnings retained in previous years and fully franked. As previously stated it is the policy of your Directors to smooth dividend payments over time. Shareholders will realise, however that this is a policy not a guarantee and would have to be reviewed in the event of a sustained period of market weakness.

Corporate Governance

Following the release of the *ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations"* the Directors resolved to voluntarily comply with the guidelines in respect of reporting for this year. In addition it was resolved to establish an Audit Committee consisting of Peter Clarke, who will be the Chairman, Malcolm Halstead and myself. Mr Halstead is to serve until another independent non-executive Director is appointed to the Board and the Audit Committee, an event that needs to occur before 1 July 2005.

The Company's Corporate Governance Statement can be found in the body of the Annual Report.

Outlook for 2003/2004

This Report is being written at a time when most of the world's stock markets are well up from their low points at the start of the calendar year and some commentators are of the view that the bear market we have experienced since mid 2001 is at an end. Growth forecasts in a number of economies have been revised upwards. Dr Greenspan, in a speech on 15 July, was positively ebullient about America's growth prospects.

The Manager, in his report, is more circumspect, expressing some surprise at the strength of the recent market rallies and emphasising the uncertainties that still abound, especially in the United States. Importantly the Manager goes on to emphasise the need for a disciplined approach and a "focus on the larger trends".

Finally

Last year in his Report the outgoing Chairman, Michael Darling, confirmed his "admiration and respect" for the Manager. In my short period as Chairman I have come to appreciate the reality of Michael's remarks. Kerr Neilson and his colleagues are very good at what they do. So, for their efforts and for those of my Board colleagues I can express sincere appreciation.

Graeme Galt
Chairman

PLATINUM CAPITAL LIMITED
ABN 51 063 975 431

ANNUAL REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

Contents

Substantial Shareholders

The Company's Register of Substantial Shareholders, prepared in accordance with section 671B of the Corporations Act 2001, recorded the following information as at 31 July 2003.

Name	Number of shares	Class of share
Questor Financial Services Limited	2,577,307	ordinary

Distribution of Securities

	Class of equity security Ordinary
(i) Distribution schedule of holdings	
1-1000	920
1,001 - 5,000	5,095
5,001 - 10,000	2,857
10,001-100,000	2,509
100,001 and over	63
Total number of holders	11,444
(ii) Number of holders of less than a marketable parcel	145
(iii) Percentage held by the 20 largest holders	11.51%

Twenty Largest Shareholders

The names of the twenty largest holders of each class of equity securities as at 31 July 2003 are listed below

	Number of Shares	%
RBC Global Services Australia	2,444,573	2.15
Questor Financial Services Limited	1,606,056	1.41
Cox Bros Coffs Harbour Pty Limited	1,195,893	1.05
Frank Hadley Pty Ltd	801,828	0.70
National Nominees Limited	598,691	0.53
Platinum Asset Management Limited	590,231	0.52
UBS Warburg Private Clients Nominees Pty Limited	539,166	0.47
Austair Pilots MBF Nominee Co Pty Ltd	500,000	0.44
Nizin Holdings Pty Limited	499,061	0.44
J P Morgan Nominees Australia Limited	464,052	0.41
Feboco Investments Pty Limited	455,993	0.40
Dr Russell Kay Hancock	449,915	0.40
Mr Greg Maughan	445,069	0.39
Questor Financial Services Limited	443,533	0.39
Tower Trust Limited	422,920	0.37
Nizin Holdings Pty Limited	392,147	0.34
Frank Hadley Pty Ltd	351,225	0.31
Queens Hill Pty Limited	303,394	0.27
Mr Lloyd James Christie	302,448	0.27
Westons Securities Limited	288,473	0.25

Voting Rights

Ordinary Shares:

On a show of hands, every member present in person or represented by a proxy or representative shall have one vote and on a poll every member who is present in person or represented by a proxy or representative shall have one vote for every share held by them.

Financial Calendar

Annual General Meeting	23 October 2003
Ordinary Shares trade Ex-Dividend	27 October 2003
Record (books close) date for Final dividend	31 October 2003
Final dividend paid	10 November 2003

These dates are indicative and may be changed.

Additional Information in accordance with the ASX listing requirements for the Company.

1. The total number of securities transactions entered into during the reporting period, together with total brokerage paid during the reporting period;
   Number of transactions - 1,968 Total brokerage paid - $499,408

2. Shareholders may review a list of investments acquired or disposed of by the Company in the reporting period at the Registered Office.

3. A listing of the Investment Portfolio may be found in note 11 to the Accounts.

4. A summary of the fees paid or payable to the Investment Manager may be found in note 15 to the Accounts.

5. A summary of the salient provisions of the Investment Management Contract are as follows:-

(a) the Investment Manager will invest the Portfolio in accordance with the investment objectives and restrictions of the Company and subject to the Constitution, the Management Agreement, the ASX Listing Rules, the Corporations Act 2001 and investment restrictions and directions from the Company;
(b) confer with the Company at regular intervals;
(c) administer the borrowing's of the Company;
(d) the Investment Manager may appoint the Managing Director of the Company;
(e) the Investment Manager is required to publish the Net Asset Value of the Company monthly at the ASX and in an Australian national daily newspaper;
(f) the Agreement will continue for a term of 5 years, the Investment Manager may retire after giving six months notice;
(g) the Agreement may be terminated or renewed by the Members of the Company in General Meeting at the end of each 5 year term; and
(h) the Agreement may be immediately terminated by the Company in the event of :-
  (i) a breach of a material obligation by the Investment Manager;
  (ii) the Investment Manager going into liquidation or having an administrator or receiver appointed.

DIRECTORS' REPORT

In respect of the year ended 30 June 2003 the Directors of Platinum Capital Limited (the Company) submit the following report made out in accordance with a resolution of the Directors.

Directors

The following persons were directors of the Company during the whole year and up to the date of this Report.

Peter Clarke	(Non-Executive Director)
Kerr Neilson	(Managing Director)
Andrew Clifford	(Director)
Malcolm Halstead	(Director and Secretary)

Michael Darling was a Non-Executive Director and Chairman from the beginning of the financial year until his resignation on 24 October 2002.
Graeme Galt was appointed a Non-Executive Director on 25 July 2002 and Chairman of the Board of Directors on 24 October 2002.

Principal Activity

The principal activity of the Company during the year was the investment of funds internationally into securities of companies, which are perceived by the Investment Manager to be undervalued.

Trading Results

The net loss of the Company for the year was $2,274,000 (2002: profit $19,916,000) after income tax expense of $3,653,000 (2002:$12,231,000).

Dividends

Since the end of the financial year, the Directors have recommend the payment of a 10 cents per share ($11,379,987) fully franked dividend payable to Shareholders to be paid on 10 November 2003 out of retained profits as at 30 June 2003.

A fully franked interim dividend of 5 cents per share ($5,636,948) was paid on 28 February 2003.

A fully franked final dividend of 10 cents per share ($11,080,813) for the year ended 30 June 2002 was paid on 8 November 2002.

Review of Operations

Operating Results

The operating profit before tax was $1,379,000 (2002: $32,147,000) and a loss of $2,274,000 (2002: profit $19,916,000) after tax.

Taxation

Income tax expense for the year was $3,653,000 (2002:$12,231,000).

Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company that occurred during the year not otherwise disclosed in this report or the financial statements.

Events Subsequent to the end of the Financial Year

Since the end of the financial year, the Directors are not aware of any matter or circumstance not otherwise dealt with in this report or financial statements that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Likely Developments

The Company will continue to pursue its investment objectives so as to increase the net asset value of the Company.

Rounding Off of Amounts

The Company is of a kind referred to in the Australian Securities & Investments Commission's Class Order 98/0100, and consequently amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars.

Environmental Regulation

The Company is not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory Law.

DIRECTORS' REPORT (Cont.)

Directors' Emoluments

The Executive Directors (WKS Neilson, AM Clifford & RM Halstead) are employees of the Investment Manager, Platinum Asset Management, and are not remunerated by the Company. The Executive Directors review and determine the remuneration of the Non-Executive Directors and may utilise the services of external advisors. It is the policy of the Board to remunerate at market rates commensurate with the responsibilities borne by the Non-Executive Directors.

The Non-Executive Directors received the following amounts from the Company during the financial year:

	Fee	Superannuation	Total
	$	$	$
GW Galt	37,435	3,369	40,804
PW Clarke	30,000	2,700	32,700
MG Darling	12,565	1,131	13,696
	80,000	7,200	87,200

Directors' Interests in Contracts

The three Executive Directors are employees of and have a relevant interest in the Investment Manager and accordingly will receive a portion of the Management fee. They do not receive any Directors' remuneration from the Company.

Insurance of Officers

During the year, the Company incurred a premium in respect of a contract for indemnity insurance for the Directors and Officers of the Company named in this report.

Information on Directors

Graeme W Galt MBA, BCom, FAICD
Independent Non-Executive Director and Chairman for one year. (Age 63). Member of Audit Committee.
Mr Galt has extensive experience in senior line and staff roles, and in consulting positions across a wide range of industries and markets. He has been a Director of and Adviser to DHL International (Aust) Pty Limited since 1991, is a Director of Asian Express Airlines Pty Limited and Principal of Templeton Galt.
Mr Galt is active in community, cultural and sporting activities and is currently a Director of Bangarra Dance Theatre and Chairman of Centre Circle.

Michael G Darling BA Law (Oxon), MBA (Harvard)
Independent Non-Executive Director and Chairman (Age 57).
Mr Darling has extensive experience in international investment markets and has lived and worked in Japan, Europe, North America and Papua New Guinea.
He is Chairman of resource company Gympie Gold Limited and of portfolio investment company Caledonia Investments Limited and Deputy Chairman of The Centre for Independent Studies Limited.
He is a former Director of the Australian Stock Exchange (1986-1987).

Peter W Clarke BSc(Econ), ASIP
Independent Non-Executive Director for three years. (Age 67). Chairman of Audit Committee.
Mr Clarke brings to the Board over thirty years' experience in the Investment Management business. Until 1987 he held various directorships in the UK and was Managing Director of a stockbroking firm.
Other Directorships include Canning Energy Limited and Climax Mining Limited.

Kerr Neilson BCom, ASIP
Managing Director for nine years. (Age 53).
Relevant interest in 893,626 shares in the Company.
Appointed as Managing Director upon incorporation. He is the managing director of Platinum Asset Management, the company's Investment Manager.
Mr Neilson is an experienced investment analyst and fund manager. Prior to Platinum Asset Management, he was an Executive Vice President at Bankers Trust Australia Limited.
Earlier he worked in both the UK and South Africa as an investment analyst and fund manager.

Andrew M Clifford BCom(Hons), ASIA
Director for nine years. (Age 37).
Relevant interest in 666,079 shares in the Company.
Appointed a Director of the Company upon incorporation. He is also a Director of Platinum Asset Management, the Company's Investment Manager. Prior to Platinum Asset Management, Mr Clifford was a Vice President at Bankers Trust Australia Limited.

Malcolm Halstead ACA

Finance Director and Company Secretary for nine years. (Age 45). Member of Audit Committee
Relevant interest in 650,910 shares in the Company.
Appointed a Director of the Company upon incorporation. He is also a Director of Platinum Asset Management, the Company's Investment Manager. Prior to Platinum Asset Management, Mr Halstead was a Vice President at Bankers Trust Australia Limited. Earlier he was with Price Waterhouse, Sydney and Jolliffe Cork, London.

Directors' Meetings

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2003 and attended by each Director.

	Board Meetings	
	Held while a Director	Attended
MG Darling (Resigned 24 October 2002)	2	2
PW Clarke	6	5
GW Galt (appointed 25 July 2002)	6	6
WK Neilson	6	5
AM Clifford	6	6
RM Halstead	6	6

Auditor

PricewaterhouseCoopers continues in office in accordance with Section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the Directors.

GW Galt
Director

WK Neilson
Director

Sydney
6 August 2003

Corporate Governance Statement

The Company is a listed investment company. Its shares are traded on the Australian Stock Exchange (ASX).
The objective of the Company is to seek long term capital growth through utilising the skills of the investment manager, Platinum Asset Management.
Other than its Directors, the Company has no employees. It has no premises, plant or equipment or other physical assets. The Company's day-to-day affairs and the investment of its funds are managed by Platinum Asset Management in accordance with a Management Agreement.
It is the responsibility of the Directors to ensure that Platinum Asset Management is performing its duties in a skilful and diligent manner, that it employs qualified and experienced staff and that it operates appropriate risk monitoring and compliance procedures.
The Company's main corporate governance practices are set out below and, unless otherwise stated, were in place for the entire year.

The Board of Directors

The Board operates in accordance with its Charter, which is available on the Company's web site: www.platinumcapital.com.au.
The Charter covers the following.

Board Composition

. The Board comprises an equal number of executive and independent non-executive Directors, excluding the Managing Director (MD), who is appointed in accordance with the Company's constitution and the Management Agreement with Platinum Asset Management.
. The Chairman is an independent non-executive Director.
. The Board undertakes an annual performance review and considers the appropriate mix of skills required to ensure its effectiveness.

The Board has determined that given the size and specialised nature of the Company, a majority of independent non-executive directors is unnecessary.

Responsibilities

. Overseeing and monitoring Platinum Asset Management's compliance with the investment management agreement.
. Monitoring financial performance including approval of statutory financial reports and liaison with the Company's auditors.
. Identifying, controlling and monitoring significant risks faced by the Company including those associated with its compliance obligations and ensuring appropriate reporting mechanisms are in place.

Board Members

The Board aims to ensure that:
. its members have an appropriate balance between those with investment management experience and those with an alternative perspective; and
. the size of the Board is conducive to effective discussion and efficient decision making.

Directors' details are set out in the Directors' Report.

Directors' Independence

A Director is independent if he or she:
. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
. has not been employed in an executive capacity by the Company, or been a Director after ceasing to hold any such employment within the last three years;
. is not a principal of a material professional adviser to the Company, or an employee materially associated with the service provider within the last three years;
. is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
. has no material contractual relationship with the Company other than as a Director of the Company;
. has not been on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Materiality is judged on both a quantitative and qualitative basis. An amount of over 0.5% of the Company's turnover is considered material for these purposes.
In addition, a transaction of any amount or relationship is deemed material if knowledge of it impacts the shareholders' understanding of the Director's performance.

Term of Office

The Company's constitution specifies that all Directors, other than the MD, must retire from office no later than the third Annual General Meeting (AGM) following their last election and that one-third of the Directors are to retire from office at each AGM. Where eligible, a Director may stand for re-election.

Chairman and MD - Division of Function

The Chairman is responsible for leading the Board, ensuring that the Board activities are organised and efficiently conducted and for ensuring Directors are properly briefed for meetings. The MD is responsible for ensuring that Platinum Asset Management complies with the investment management contract.
The policy of the Board is not to have the same person as Chairman and MD.

Commitment

The number of meetings held and attended by each Director is disclosed in the Directors' Report.
Non-Company related commitments of the non-executive directors are considered by the Board prior to each Director's appointment and are reviewed as part of the annual performance review.

Independent Professional Advice

Directors may seek independent professional advice at the Company's expense, after first notifying the Board.
The Board will review the estimated costs for reasonableness, but will not impede the seeking of advice.

Annual Performance Review

The Board undertakes a performance review annually and considers the appropriate mix of skills required to maximise its effectiveness.
Independent professional advice may be sought. Executive Directors are not remunerated by the Company.
Executive Directors review and determine the remuneration of the non-Executive Directors. Independent professional advice may be sought.
The Board remunerates at market rates commensurate with the responsibilities borne by the non-Executive Directors.
Directors' fees are disclosed in the financial statements.

Corporate Governance Statement (Continued)

Corporate Reporting

The MD and Finance Director have made the following certifications to the Board:

. the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards;

. the above statement is founded on a sound system of risk management and internal compliance and control; and

. the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Board adopted this reporting structure for the year ended 30 June 2003.

Board Committees

The Board has determined that given the size and specialised nature of the Company nomination and remuneration committees are unnecessary.
The Board deals with all matters that would otherwise be dealt with by such committees. Independent professional advice may be sought.

Audit Committee

The Board appointed an audit committee on 12 June 2003. The audit committee consists of two independent non-executive Directors and an executive Director, namely:

Peter W Clarke	(Chairman and independent Non-Executive Director)
Graeme W Galt	(Independent Non-Executive Director)
Malcolm Halstead	(Executive Director)

Details of Directors' qualifications and experience are set out in the Directors' Report. The audit committee has appropriate financial expertise.
The audit committee operates in accordance with a Charter which is available on the Company's web site. Its main responsibilities to the Board include:

. recommending the appointment of the external auditor and the audit fee;

. ensuring that the external auditor is competent and independent;

. ensuring that the external auditor has full access to information and that no unacceptable management or other restrictions are placed on it;

. reviewing the draft half-yearly and year-end financial statements prior to recommending their adoption by the Board;

. monitoring the Company's compliance with its statutory obligations;

. reviewing and monitoring the adequacy of management information and internal control systems; and

. ensuring that any query from shareholders relating to such matters are dealt with expeditiously.

External Auditors

The Board appoints external auditors who demonstrate quality and independence. PricewaterhouseCoopers were appointed as the external auditors in 1994. PricewaterhouseCoopers rotate audit partners engaged on listed companies' audits at least every seven years. From 1 July 2003, PricewaterhouseCoopers will provide an annual declaration of their independence to the Audit Committee.
The performance of the external auditor is reviewed annually by the Audit Committee.

Risk Assessment and Management

The Board ensures there are adequate policies in relation to risk oversight and management and internal control systems.
The Company's policies are designed to ensure operational, legal and financial risks are identified, assessed, addressed and monitored.
A summary of these policies is available on the Company's web site.

Code of Conduct

The Board has adopted a Code of Conduct (the Code) which is based upon the Australian Institute of Company Directors' Code of Conduct.
In summary, the Code requires that at all times the Directors act with the utmost integrity, objectivity and in compliance with the law and the Company's policies.
The purchase and sale of shares in the Company by Directors is only permitted during a period of 5 business days following the release of the monthly net asset value appearing in the Australian Financial Review. Additional blackout periods are enforced as necessary (eg. during an on-market buy-back of shares on issue). Any and all changes to Directors' shareholdings are reported to the ASX.
Platinum Asset Management imposes the same rules on itself and its employees.
Copies of the Code and the Company's trading policy are available on the Company's web site.

Continuous Disclosure and Shareholder Communication

The Company Secretary is responsible for communications with the ASX. The role includes ensuring compliance with the continuous disclosure requirements in the ASX listing rules and over-seeing and coordinating information disclosure to the ASX, shareholders, the media and the public.
Shareholders receive a copy of the Company's annual report together with a quarterly investment report from Platinum Asset Management.
The external auditor attends the AGM to answer any shareholder questions in relation to the annual audit and preparation and content of the auditor's report.
A summary of the Company's continuous disclosure policy and communications plan is available on the Company's web site.

Statement of Financial Performance
Year ended 30 June 2003

	Notes	2003 $'000	2002 $'000
Revenue from ordinary activities			
Dividends		2,858	3,577
Interest		399	654
Net realised gains/(losses) on sale of equities/derivatives		425	40,060
Net realised gains/(losses) on currency hedging transactions		9,711	11,104
Net unrealised gains/(losses) on revaluation of monetary items		8,222	(980)
Reversal of prior period's provision for permanent diminution in the value of investments		12,353	2,446
Provision for permanent diminution in the value of investments		(24,461)	(12,353)
Net realised gains/(losses) on overseas bank accounts		(2,783)	(1,902)
Total revenue from ordinary activities		6,724	42,606
Expenses			
Management fee		2,573	3,000
Performance fee		1,486	6,414
Custody		153	210
Share registry		239	200
Directors' fees		87	73
Auditor's remuneration			
- Auditing and review ($37,500, 2002: $43,500)		38	44
- Taxation services ($17,735, 2002: $19,420)		18	19
Goods and Services Tax		-	(212)
Withholding tax on foreign dividends		333	407
Other expenses		418	304
Total expenses		5,345	10,459
Profit/(loss) from ordinary activities before related income tax expense		1,379	32,147
Income tax expense	2	3,653	12,231
Profit/(loss) from ordinary activities after related income tax expense	8	(2,274)	19,916
Earnings per share (cents per share)	7	(2.02)	18.24

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

Statement of Financial Position
As at 30 June 2003

	Notes	2003 $'000	2002 $'000
Investments	1(c), 3	170,902	194,383
Current Assets			
Cash at bank	9(a)	196	212
Receivables	4	1,209	2,279
Income tax receivable		6,385	-
Deferred tax assets		57	470
Total Current Assets		7,847	2,961
Total Assets		178,749	197,344
Current Liabilities			
Payables	5	2,981	7,972
Dividend	14	-	11,081
Current tax		-	2,561
Deferred tax		2,864	789
Total Current Liabilities		5,845	22,403
Net Assets		**172,904**	**174,941**
Equity			
Contributed equity	6	121,314	115,441
Retained profits	8	51,590	59,500
Total Equity		**172,904**	**174,941**

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows
Year ended 30 June 2003

	Notes	2003 $'000 Inflows (Outflows)	2002 $'000 Inflows (Outflows)
Cash flows from operating activities			
Dividends received		2,779	3,618
Interest received		410	637
Cost of purchases of investments and currencies		(92,364)	(138,426)
Proceeds from sale of investments and currencies		123,330	174,655
Management and performance fees paid		(9,027)	(7,108)
Other expenses		(1,263)	(1,084)
Income tax paid		(10,112)	(12,185)
Net cash inflow/(outflow) from operating activities	9(b)	13,753	20,107
Cash flows from financing activities			
Proceeds from issue of shares		5,873	5,551
Dividends paid		(16,686)	(16,242)
Net cash outflow from financing activities		(10,813)	(10,691)
Net Increase / (decrease) in cash held		2,940	9,416
Cash held at the beginning of the financial year		26,743	17,275
Effects of exchange rate changes on cash		(452)	52
Cash held at the end of the financial year	9(a)	29,231	26,743

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

The accounting policies adopted have been consistently applied by the Company, except as otherwise indicated.

As a result of applying the new accounting standard AASB 1044 Provisions, Contingent Liabilities and Contingent Assets for the first time, certain liabilities have been reclassified as in note 1(l).

(a) Basis of Accounting
The financial statements have been prepared on the basis of historical cost, except where otherwise stated.

(b) Foreign Currency Translation
Transactions denominated in foreign currencies are translated into Australian Currency at the rates of exchange ruling on the date of the transaction. All realised exchange gains and losses are taken to account in the period in which they arise. Foreign currency monetary assets and liabilities existing at balance date are revalued at the rates of exchange ruling at balance date. The resulting unrealised exchange differences are brought to account in determining the Profit or Loss for the year.

(c) Investments
(i) Classification
Investments have not been classified in the Statement of Financial Position as current or non-current assets. In the opinion of the Directors, having regard to the nature of the business conducted by the Company, the period of investment is not known at the time of purchase.
(ii) Valuation
Investments are carried at cost, with the exception of monetary items, which are stated at net fair value. Where, in the opinion of Directors, there has been a permanent diminution in the value of an investment, the carrying amount of such an investment is written down to its net fair value.

(d) Derivatives
(i) Currency hedges
Realised and unrealised gains or losses are brought to account in determining the profit or loss for the year. Currency positions are disclosed in note 12(b).
(ii) Other Derivatives
All other derivatives are valued at cost. Where, in the opinion of Directors, there has been a permanent diminution in the value of a derivative, the carrying amount of such a derivative is written down to its recoverable amount. Derivative positions are disclosed in note 12(a).

(e) Income Recognition
Interest income is recognised on an accruals basis.
Dividend income is brought to account on the applicable ex-dividend date.
Foreign exchange income is recognised as disclosed in notes 1(b) and (d).
Investment gains and losses are recognised on disposal of an investment, subject to note 1(c).

(f) Directors' Entitlements
Liabilities for Directors' entitlements to fees are accrued at nominal amounts calculated on the basis of current fees rates.
Contributions to Directors' superannuation plans are charged as an expense as the contributions are paid or become payable.

(g) Income Tax
Income tax has been brought to account using the liability method of tax effect accounting.

(h) Earnings per Share
Basic earnings per share is determined by dividing the operating profit after income tax by the weighted number of ordinary shares outstanding during the year.

(i) Cash
Refer to note 9(a).

(j) Receivables
All receivables are recognised as and when they are due.
Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(k) Payables

All payables and trade creditors are recognised as and when they are incurred.

(l)Change in accounting policy for providing for dividends

In accordance with AASB 1044 (Provisions, Contingent Liabilities and Contingent Assets), a provision can only be made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year, but not distributed at balance date.

In previous periods, Platinum Capital Limited recorded a provision for dividends to be paid out of retained profits at the end of the period where the dividend was proposed between the end of the period and the completion of the financial report. The restatement of retained profits, total dividends provided for or paid during the financial year and current liability for dividend are set out below to show the information that would have been disclosed had the new accounting policy always been applied.

	2003 $'000 (restated)	2002 $'000 (restated)
Restatement of retained profits		
Retained profits at the end of the previous financial year	59,500	56,158
Change in accounting policy for providing for dividends	11,081	10,802
Restated retained profits at the beginning of the financial year	70,581	66,960
Net profit attributable to members	(2,274)	19,916
Total available for appropriation	68,307	86,876
Dividends provided for or paid	(16,717)	(16,295)
Restated retained profits at the end of the financial year	51,590	70,581
Restatement of total dividends provided for or paid		
Previously reported total dividends provided for or paid during the financial year	16,717	16,574
Adjustment for change in accounting policy	-	(279)
Restated total dividends provided for or paid during the financial year	16,717	16,295
Restatement of current liabilities - provisions		
Previously reported carrying amount at the end of the financial year	-	11,081
Adjustment for change in accounting policy	-	(11,081)
Restated carrying amount at the end of the financial year	-	-

2. Income Tax

The aggregate amount of income tax attributable to the financial year differs from the prima facie amount payable on the operating profit/(loss). The difference is reconciled as follows:

	2003 $'000	2002 $'000
Profit from ordinary activities before income tax expense	1,379	32,147
Prima facie income tax on operating profit/(loss) at 30%	414	9,644
Tax effect on permanent differences which:		
Reduce Tax Payable		
. Allowable credits	(396)	(381)
Future income tax benefit not recognised	3,632	2,972
Under/(over) provision of prior period tax	3	(4)
Income tax expense	3,653	12,231
Income tax expense comprises:		
Current income tax provision	1,162	12,178
Deferred income tax provision	2,075	357
Future income tax benefit	413	(300)
Under/(over) provision of prior period tax	3	(4)
	3,653	12,231

Future income tax benefit

Potential future income tax benefits of $7,338,436 (2002:$3,705,900) arising from permanent diminution in the value of investments of $24,461,452 (2002: $12,353,000) have not been brought to account at balance date as the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as virtually certain. The benefit of the permanent diminution may be obtained if the investments are sold.

3. Investments

	2003 $'000 Net Fair Value	2003 $'000 Cost/Carrying Value	2002 $'000 Net Fair Value	2002 $'000 Cost/Carrying Value
Listed and non-listed securities	134,059	134,023	175,595	168,247
Currency hedges	7,844	7,844	(395)	(395)
Cash on deposit note 9(a)	29,035	29,035	26,531	26,531
Total Investment Portfolio (note 11)	170,938	170,902	201,731	194,383

4. Receivables

	2003 $'000	2002 $'000
Current		
Proceeds on sale of investments	923	2,111
Accrued dividends	166	87
Accrued interest	8	19
Prepayments	78	50
Goods and Services Tax	34	12
	1,209	2,279

Proceeds on sale of investments are usually received between two and five days after trade date.
Interest is usually received within three days of becoming due and receivable and dividends are usually received within approximately thirty days of the ex-dividend date.
The net fair value of receivables approximates their carrying value.

Denomination of current receivables in foreign currencies:	2003	2002
Hong Kong dollar	1	25
Japanese yen	6	1,206
Indian rupee	35	-
Euro dollar	114	36
Danish krone	150	-
Canadian dollar	1	-
US dollar	784	938
	1,091	2,205

5. Payables

	2003 $'000	2002 $'000
Current		
Payables on purchase of investments	833	937
Trade creditors (unsecured)	1,961	6,879
Unclaimed dividends payable to shareholders	187	156
	2,981	7,972

Payables on purchase of investments are usually paid between two and five days after trade date.
Trade creditors are unsecured and payable between seven and thirty days after being incurred.
The net fair value of payables approximates their carrying value.
These current payables are non interest bearing.
Denomination of current payables in foreign currencies:

	2003	2002
US dollar	352	381
Swedish kroner	-	320
Japanese yen	-	236
Indian rupee	481	-
	833	937

6. Contributed Equity

		2003 Quantity	2003 $'000	2002 Quantity	2002 $'000
Opening balance		110,808,132	115,441	108,014,141	109,890
Dividend reinvestment plan	09-Nov-01	-	-	1,860,756	3,610
Dividend reinvestment plan	28-Feb-02	-	-	933,235	1,941
Dividend reinvestment plan	08-Nov-02	1,930,837	3,900	-	-
Dividend reinvestment plan	28-Feb-03	1,060,905	1,973	-	-
Closing Balance		113,799,874	121,314	110,808,132	115,441

Shares are issued under the Dividend Reinvestment Plan at a 5% discount to the market price.

7.Earnings per share

	2003	2002
Basic earnings per share - cents per share	(2.02)	18.24
Diluted earnings per share - cents per share	(2.02)	18.24
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	112,403,494	109,217,968

There have been no conversions to, calls of, or subscriptions for ordinary shares other than those issued under the dividend reinvestment plan, or issues of potential ordinary shares during the financial year.
As there are no potential ordinary shares, diluted earnings per share equals basic earnings per share.

8.Retained Profits

	Notes	2003 $'000	2002 $'000
Retained earnings at the beginning of the financial year		59,500	56,158
Adjustment resulting from change in accounting policy for providing for dividends		11,081	-
Net profit/(loss)		(2,274)	19,916
Dividends provided for or paid	14	(16,717)	(16,574)
Retained earnings at the end of the financial year		51,590	59,500

9. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes deposits at call and cash at bank, which are readily convertible to cash on hand.

Cash at the end of the financial year, as shown in the Statement of Cash Flows, is reconciled to the related items in the Statement of Financial Position as follows:

	2003 $'000	2002 $'000
Cash at bank *	196	212
Cash on deposit ** note 3	29,035	26,531
	29,231	**26,743**

* Includes $187,000 (2002: $156,000) held in respect of unclaimed dividends on behalf of Shareholders.

** Includes $12,820,000 (2002: $14,300,000) on deposit to 'cash cover' derivative contracts' deposits and margin calls. These amounts are held by the relevant derivative exchanges and counterparties as security and are not available for use by the Company until the derivative contracts are closed out. If losses are realised on the close out of derivative contracts, the cash balances are set off against those losses.
If profits are realised on the close out of derivative contracts, the money is returned to the Company.

The net fair value of cash and deposits approximates their carrying value.

The Company maintains bank accounts at various locations throughout the world to enable the settlement of purchases and sales of investments and to conduct other normal banking transactions. All accounts are at call and the majority bears floating interest rates in the range of 0.25% to 4.00% (2002: 0.50% to 4.00%).
International and Australian deposits at call bear floating interest rates in the range of 1.00% to 4.65% (2002: 1.00% to 4.60%).
International deposits and margin calls at derivative exchanges bear floating interest rates in the range of 1.00% to 2.50% (2002: 1.00% to 4.60%).

	2003 $'000	2002 $'000
(b) Reconciliation of Net Cash from Operating Activities to Operating Profit/(Loss) after Income Tax		
Operating profit/(loss) after income tax	(2,274)	19,916
Decrease/(increase) in investment securities and currency hedges	25,985	(5,753)
(Increase)/decrease in cash due to exchange rate movements	452	(52)
Decrease/(increase) in settlements receivable	1,188	2,889
Decrease/(increase) in dividends receivable	(79)	41
Decrease/(increase) in interest receivable	11	(17)
Decrease/(increase) in GST receivable	(22)	351
Decrease/(increase) in income tax receivable	(6,385)	-
Decrease/(increase) in prepayments	(28)	(35)
(Decrease)/increase in accrued expenses	(4,918)	1,951
(Decrease)/increase in settlements payable	(104)	771
(Decrease)/increase in income tax payable	(2,561)	(12)
(Increase)/decrease in future income tax benefit	413	(300)
Increase/(decrease) in deferred income tax	2,075	357
Net Cash from Operating Activities	**13,753**	**20,107**

10. Statement of Net Asset Value

	2003	2002
Taking Investments at Market Value* and Providing for Realised and Unrealised Taxes		
Net Asset Value per Statement of Financial Position (Historical cost basis)	172,904	174,941
Add:		
Revaluation of investments	36	7,348
Proposed dividends	-	11,081
Future income tax on revaluation of investments	1,106	2,380
Deferred income tax on movements in unrealised monetary items	2,864	-
Net Asset Value	176,910	195,750
Net Asset Value - cents per share	155.46	176.65

* all investments, currencies and derivatives are valued at net fair value.

NOTES TO THE FINANCIAL STATEMENTS continued
30 June 2003

11. Investment Portfolio

	Quantity	2003 Net Fair Value $'000
JAPAN		
Alpine Electronics	90,000	1,659
Canon	16,000	1,091
Citizen Watch	167,000	1,332
Credit Saison	102,700	2,501
Denso	131,000	3,084
Fanuc	13,800	1,016
Fujirebio	33,500	377
JGB Future - Sold Short	(9)	342
Matsushita Electric Industrial	143,000	2,103
Millea Holdings	140	1,590
NGK Spark Plug	72,000	750
Nikkei 225 - Bought Long	34	34
Nintendo	3,900	421
Nippon Sheet Glass	326,000	1,452
Nippon Television	4,700	832
Sky Perfect Communications	1,444	1,467
SMFG Finance - Preferred	53	1,831
Sony	15,000	627
Takeda Chemical	42,400	2,323
TDK	17,000	1,247
Tenma	4,900	62
Toshiba	192,000	981
Ushio Denki	98,000	1,685
Yamanouchi Pharmaceutical	28,900	1,119
		29,926
OTHER ASIA		
Hong Kong		
Beijing Capital International Airport - H	3,123,000	1,127
Beijing Enterprise Holdings	40,000	49
China Mobile Ltd HK	64,200	224
Hutchison Whampoa	75,000	677
Shanghai Industrial Holdings	141,000	295
Travelsky Technology - H	701,000	699
		3,071
Indonesia		
PT Lippo E - Net	5,907,000	42
Unilever Indonesia	150,000	720
		762
India		
Associated Cement Companies	51,947	276
Canara Bank	144,500	439
Container Corp of India	4,170	46
HDFC Bank - ADR	22,400	622
Housing Development Finance	60,308	786
HDFC Bank	57,146	472
ITC	5,373	131
Punjab National Bank	94,000	465
Reliance Industries	103,602	1,072
State Bank Of India	72,000	882
Tata Engineering and Locomotive	33,000	208
Tata Power	20,965	106
Union Bank Of India	400,000	442
Videsh Sanchar Nigam - ADR	65,775	516
Zee Telefilms	400,313	1,125
		7,588

11. Investment Portfolio (Continued)

	Quantity	2003 Net Fair Value $'000
Korea		
Kangwon Land	12,306	2,032
KT	27,760	1,609
Lotte Confectionery	4,090	2,498
Samsung	124,960	1,108
Samsung Electronics	2,805	1,236
Seoul Broadcasting	25,330	1,286
SK Telecom	2,660	675
		10,444
TOTAL OTHER ASIA		21,865
AUSTRALIA		
Lihir Gold	449,931	583
		583
EUROPE EURO		
France		
Michelin (CGDE) - B	29,100	1,686
Veolia Environnement	70,000	2,135
Vivendi Universal	47,500	1,283
		5,104
Germany		
Adidas	22,400	2,842
Allianz - Registered	13,400	1,652
Douglas Holdings	27,348	876
Draegerwerk - Preferred	7,000	426
Henkel KGAA - Vorzug	32,800	3,013
Hornbach Baumarkt	45,600	1,771
Hornbach Holdings	19,860	1,737
Infineon Technologies	234,700	3,367
Linde	63,500	3,488
Merck KgAa	94,289	4,064
Muenchener Rueckversicherungs-Gesellschaft	4,300	650
Siemens	49,250	3,584
ThyssenKrupp	59,200	1,013
		28,483
Greece		
Hellenic Telecom	95,160	1,670
Hellenic Telecom - ADR	26,000	231
		1,901
Italy		
Alleanza Assicurazioni	347,700	4,905
Assicurazioni Generali	20,900	719
		5,624
Netherlands		
Hagemeyer	109,522	625
Nutreco Holding	8,700	201
Oce	94,000	1,440
		2,266
TOTAL EUROPE - EURO		43,378
EUROPE - OTHER		
Denmark		
GN Store Nord - A	26,700	163
Novozymes - B	99,299	4,108
		4,271

NOTES TO THE FINANCIAL STATEMENTS continued
30 June 2003

11. Investment Portfolio (Continued)

	Quantity	2003 Net Fair Value $'000
Sweden		
Ericsson LM - B	1,564,400	2,498
		2,498
Switzerland		
Kuehne & Nagel	2,650	289
Lindt & Spruengli - Registered	50	493
Novartis - Registered	12,700	747
Roche Holding - Genusschein	5,900	688
Schindler - Registered	480	125
Schindler Participating Certificates	9,200	2,202
Schweizerische Industrie Gesellschaft Holdings - Registered	8,525	1,441
SGS Societe Generale Surveillance Holding	1,785	1,036
		7,021
United Kingdom		
AstraZeneca PLC - Sold Short	(13,000)	58
		58
TOTAL EUROPE - OTHER		13,848
NORTH AMERICA		
Canada		
Inco	25,200	788
		788
United States		
Abgenix	61,300	949
Advanced Micro Devices	125,780	1,194
Agere Systems - A	78,364	270
Agere Systems - B	455,736	1,553
Agilent Technologies	25,100	727
Barrick Gold	50,800	1,347
Capital One Financial - Sold Short	(35,500)	(390)
Clayton Homes	54,500	1,013
Colgate-Palmolive - Sold Short	(4,500)	8
Commerce Bancorp - Sold Short	(2,900)	(1)
Ecolab - Sold Short	(38,600)	(32)
Fannie Mae - Sold Short	(37,100)	279
Financial Select Sector SPDR Fund - Sold Short	(209,000)	201
Freeport - McMoran Copper - B	4,600	167
Genta	17,600	347
Gillette - Sold Short	(9,800)	(2)
International Paper	24,100	1,275
Jones Lang Lasalle	8,500	199
KB Home - Sold Short	(11,100)	48
Kelloggs - Sold Short	(21,900)	31
Lehman Brothers Holdings - Sold Short	(8,450)	95
Liberty Media	46,600	798
MGIC Investment - Sold Short	(11,400)	61
Myriad Genetics	25,600	512
National Semiconductors	25,200	736
Newmont Mining	52,950	2,546
NVR Inc - Sold Short	(4,810)	(274)
Parametric	421,100	1,884
QLogic - Sold Short	(12,150)	50
S&P 500 - Sold Short	(23)	217
Sears Roebuck - Sold Short	(4,810)	(237)
SLM Corp (Sallie Mae) - Sold Short	(14,400)	21
Stryker - Sold Short	(12,500)	(104)
Sun Microsystems	220,700	1,520
Synovus Financial - Sold Short	(32,700)	(30)
Tularik	89,274	1,309
Tyco International - Sold Short	(37,000)	(217)

11. Investment Portfolio (Continued)

	Quantity	2003 Net Fair Value $'000
United States		
United Parcel Service - Sold Short	(12,600)	(37)
VEECO Instruments	28,000	706
Vertex Pharmaceuticals	35,100	761
Weyerhaeuser	20,500	1,640
		21,140
Total North America		21,928
SOUTH AMERICA		
Peru		
Bayer Peru - Trabajo	77,287	101
Peru Holding De Turismo - Trabajo	1,667,523	121
		222
South Africa		
Gold Fields - ADR	99,800	1,800
Harmony Gold Mining - ADR	25,500	509
		2,309
LIQUIDS		
Outstanding Settlements		256
Foreign Exchange Contracts		7,844
Cash at bank and on deposit		29,035
		37,135
TOTAL INVESTMENT PORTFOLIO NOTE 12(a) and 12(b)		171,194
Accounted for in Payables (payables on purchase of investments)		833
Accounted for in Receivables (proceeds on sale of investments)		(923)
Accounted for in Receivables (dividends receivable)		(166)
ACCOUNTED FOR IN INVESTMENTS (Note 3)		170,938

Exchange traded investments' net fair value is determined from the quoted market price less an estimate for realisation costs. Unlisted investments', including monetary items', net fair value is determined from alternative pricing sources in 'over the counter' markets or by Directors' valuation, less an estimate for realisation costs.
Certain investments with a carrying value of $115,837,438 (2002:$91,130,708) have a net fair value of $85,566,384 (2002:$75,133,710).
Investment markets are in a continuous state of flux, changing the net fair value of the Company's investments, sometimes to below original cost. The Company is a long term value investor and short term fluctuations in the net fair value of investments are not taken to account, other than if they represent a permanent diminution in value. (Refer to note 1(c)(ii)).

12. Risk Management

It is the Company's investment objective to seek long term capital growth through value investing internationally in businesses and companies.
The Investment Manager may also invest in fixed interest investments, although this is not the primary investment objective.
The Company's investments are subject to price (which includes currency, interest rate and market risk), credit and liquidity risks.

The Company's primary risks are related to the investment activities undertaken on its behalf by the Investment Manager.
The Company has a policy of not borrowing moneys, other than on a short term basis for settlement, trading and like purposes.
The Company's investment restrictions prohibit it from taking positions in futures, options, other derivative products or short sales of securities, if the aggregate exposure to those products exceeds 50% of the net asset value of the Company.

The Board monitors the level of risk in the Investment Portfolio regularly through formal Directors' meetings with the Investment Manager. The Investment Manager monitors the risks daily and implements risk management strategies consistent with the invested position as it believes necessary. The effective exposure to currencies and markets is continuously monitored by the Investment Manager and the Company.

The international investment activities of the Company expose it to currency risk - the possibility of losing money owing to changes in foreign currency exchange rates - and manages this risk through forward currency hedging contracts and options on forward contracts. Contracts open at balance date are accounted for as foreign currency monetary assets and liabilities - refer note 1(b).

The Company is exposed to credit related losses in the event of non-performance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. Where appropriate, the Company utilises master netting agreements.

The investment activities of the Company expose it to market risk - the possibility of losing money owing to changes in the market prices of its investments - and manages this risk through derivative hedging contracts, futures, options and swaps. Such transactions are to protect the investment portfolio from either being invested or uninvested. Contracts are primarily for the purpose of portfolio protection and are aimed at decreasing the level of market risk in the portfolio.

The Company is exposed to liquidity risks - the possibility of being unable to obtain the fair market value of an asset or derivative owing to prevailing market conditions -and manages this risk by using derivatives in liquid markets and managing exposure to assets in illiquid markets; although it should be noted that even the most liquid markets can become illiquid in times of severe downward price corrections.

The Company is exposed to interest rate risks - the possibility of losing money owing to changes in interest rates and, more particularly for the Company, the effect that changes in interest rates have on currency and stock market prices - and manages these as noted above for currency and market risks.

Refer to Note 1 for the Accounting Policies adopted with respect to Derivatives and Currencies.

(a) Investments at Net Fair Value and Derivatives Exposure

	Physical	Futures & Options	Upside (i)	Futures & Options	Downside (ii)
	$'000	$'000	$'000	$'000	$'000
Japan	29,926	(12,308)	17,618	(12,308)	17,618
Other Asia	21,865	-	21,865	-	21,865
Australia	583	-	583	-	583
Europe ~ Euro	43,378	-	43,378	-	43,378
Europe ~ Other	13,848	(833)	13,015	(833)	13,015
North America	21,928	(33,859)	(11,931)	(33,859)	(11,931)
South America	222	-	222	-	222
Africa	2,309	-	2,309	-	2,309
	134,059	(47,000)	87,059	(47,000)	87,059
Liquids	37,135	47,000	84,135	47,000	84,135
Total	171,194	-	171,194	-	171,194

The "physical" column simply shows the location of the Company's investments.

(i) The "upside" column is an approximation of the Portfolio's exposure to upward movements in markets. This is calculated by making two adjustments to the "physical" position. The first is to subtract, from the physical position, any short (sold) and add any long (bought) positions in shares or share index futures. For example, if 5% of the Portfolio was invested in Japan but there was a 2% short position in Nikkei futures, then the upside column would show 3%. Conceivably the figure could show a negative exposure which would indicate the Portfolio was net short the Japanese market. The second adjustment is for options held to buy shares (bought calls). A call option with the premium representing 0.5% of the Portfolio to buy shares in Toyota worth, say 3% of the Portfolio would require an additional 2.5% to be added to the Japanese exposure (thus determining underlying exposure).

(ii) The "downside" column is an approximation of the Portfolio's exposure to downward moves in the market. It is calculated by adjusting the "physical" position for any short or long positions in shares or share index futures and bought put options. It is not necessary to adjust for call options as only the option premium (already included in "physical") is at risk, not the underlying holding callable by the option.

The Company uses derivatives contracts in liquid markets and generally utilises short dated contracts; those with ninety day maturities. The existing derivative positions are held with high credit rating counterparties with maturity dates range from seventy seven days to eighty days. Initial margin requirements and daily variation margin requirements on derivatives contracts are met in cash. Derivative contracts have little credit risk as they are traded on recognised exchanges. Over the Counter equity swaps are also entered into by the Company with high credit rating counterparties with maturity dates of no more than ninety days. Initial margin requirements and daily variation margin requirements are met in cash.

The Company uses Exchange Traded and Over The Counter Options, where the maximum potential loss is paid up-front by way of a premium. There is little credit risk attached to these instruments, as they are traded on recognised exchanges or with high credit rating counterparties.

(b) Currency Exposure at Net Fair Value

	Physical $'000	Bought $'000	Sold $'000	Net Exposure $'000
Japan	35,855	-	(30,150)	5,705
Other Asia	24,304	-	(7,347)	16,957
Australia	10,938	93,403	(1,411)	102,930
Europe ~ Euro	47,178	8,584	(25,833)	29,929
Europe ~ Other	14,157	-	-	14,157
North America	38,540	12,872	(50,118)	1,294
South America	222	-	-	222
Total	171,194	114,859	(114,859)	171,194

The above table categorises the investments in the Portfolio into the currencies that the securities are issued in. For example a security issued by a Japanese company in US$ will be categorised as a US$ exposure.
Forward foreign currency contracts and options on forward currency contracts are adjusted against the "physical" column to arrive at a net exposure to each currency grouping.
The Company generally utilises short dated (ninety day maturities) currency agreements with high credit rated counterparties.
The existing currency hedging positions' maturity dates range from fifteen days to seventy five days.

(c) Interest Rate Exposure
The Company had no fixed interest investments or derivatives thereon at balance date.
Refer to note 9(a) for information on short term interest rates.

13. Franking Account

	2003 $'000	2002 $'000
Opening Balance - from 1 July 2002 - Based on tax paid and franking credits attached to dividends paid - converted at 30%	37,479	32,408
On tax paid and payable:		
2001/2002	-	12,179
2002/2003	1,163	-
Prior year tax provision - franking adjustment	3	(5)
Credits on franked dividends received	20	-
Interim dividend paid - franked @ 30%	(2,416)	(2,354)
Proposed dividend - franked @ 30%	-	(4,749)
	36,249	37,479

Under legislation that took effect on 1 July 2002, the amount recorded in the franking account is the amount of Australian tax paid, rather than franking credits based on after tax profits, and amounts debited to that account in respect of dividends paid after 30 June 2002 are the franking credits attaching to those dividends rather than the amount of the dividends. In accordance with the legislation the franking account has been converted to conform with the legislation. The 2002 comparatives have been converted.

14. Dividends (fully franked)

	2003 cps	2003 $'000	2002 cps	2002 $'000
Paid - Interim fully franked @ 30%	5.00	5,636	5.00	5,493
Paid - Final fully franked @ 30% *	10.00	11,081	10.00	11,081
	15.00	16,717	15.00	16,574

* Final dividend of 10 cents per share was recognised as a liability at 30 June 2002 but adjusted against retained profits at the beginning of the financial year on the change of accounting policy for providing for dividends (note 1(l)).

Dividends not recognised at year end

	2003 $'000	2002 $'000
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 10 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 10 November 2003 out of retained profits at 30 June 2003, but not recognised as a liability at year end as a result of the change in accounting policy for providing for dividends (note 1(i)), is	11,380	-

15. Investment Manager

The Investment Manager is Platinum Asset Management. It receives a monthly management fee for investment services provided in accordance with the Investment Management Agreement. This agreement provides for a management fee payable monthly and calculated at 1.5% per annum of the Portfolio Value.

A Performance fee is payable at 10% of the amount by which the Portfolio's annual performance exceeds the return achieved by the MSCI plus 5% (MSCI is the Morgan Stanley Capital International World Accumulation Net Return Index in A$). Where the Portfolio's annual performance is less than the MSCI, the amount of the underperformance is aggregated and carried forward and deducted from the annual performance in the subsequent year before calculating any Performance fee for that year.
The aggregate of underperformance is carried forward until a Performance fee becomes payable.

The pre-tax performance of the portfolio for the year to June 2003 was negative 5.33% against the MSCI's negative 18.28%. This represents an outperformance of 12.95% against the MSCI and 7.95% after the 5% MSCI hurdle. Accordingly, a Performance fee is payable.

The Investment Manager is to be paid a lump sum termination fee of 1.5% calculated on the value of the Portfolio on the first day of the month in which termination is effective. The fee is not payable if the termination results from the default or insolvency of the Investment Manager. Additionally, a Performance fee is payable for the period from the last calculation of the Performance fee (as described above) to the date of termination.

	2003 $'000	2002 $'000
Management Fee	2,573	3,000
Performance Fee	1,486	6,414
Amounts paid and payable to the Investment Manager for the year	4,059	9,414

16. Contingent Liabilities and Commitments for Expenditure

No contingent liabilities exist at balance date.
The Company has no commitments for uncalled share capital on investments.

NOTES TO THE FINANCIAL STATEMENTS continued
30 June 2003

17. Segment Information

	2003 $'000 Segment Revenue	2003 $'000 Segment Result	2002 $'000 Segment Revenue	2002 $'000 Segment Result
Japan	(8,802)	(8,839)	(9,101)	(9,141)
Other Asia	(2,440)	(2,487)	5,231	5,175
Australia	1,601	1,601	433	433
Europe ~ Euro	(5,121)	(5,307)	7,117	6,915
Europe ~ Other	(121)	(150)	2,827	2,758
North America	3,189	3,154	26,051	26,014
South America	485	485	(109)	(109)
Africa	-	-	32	29
Unallocated Revenue -Net gains/(losses) on currency hedging transactions (realised and unrealised)	17,933	17,933	10,125	10,125
Unallocated Expenses	-	(5,011)	-	(10,052)
Total	6,724	1,379	42,606	32,147

	2003 $'000 Segment Assets	2003 $'000 Segment Liabilities	2002 $'000 Segment Assets	2002 $'000 Segment Liabilities
Japan	5,294	-	4,071	236
Other Asia	18,949	480	22,329	-
Australia	109,681	5,013	130,589	21,466
Europe ~ Euro	30,160	-	43,135	-
Europe ~ Other	14,158	-	10,270	320
North America	(2,024)	352	(14,799)	381
South America	222	-	445	-
Africa	2,309	-	1,304	-
Total	178,749	5,845	197,344	22,403

18. Events occurring after reporting date

No significant events have occurred since balance date which would impact the financial position of the Company as at 30 June 2003 and the results for the year ended on that date.

19. Related Party Information

(a) Directors

The names of persons who were directors of Platinum Capital Limited at any time during the financial year are as follows:GW Galt, PW Clarke, MG Darling, WKS Neilson, AM Clifford and RM Halstead. All of these persons were directors during the year ended 30 June 2003.

(b) Directors' Remuneration

Remuneration received or receivable by the Directors of the Company, including aggregate amounts paid to superannuation plans, is disclosed in Statement of Financial Performance and the Directors' Report.
The number of Directors of the Company, included in the figures disclosed in the Statement of Financial Performance is shown below in the relevant income bands:

	2003	2002
$10,000 - $19,999	1	-
$30,000 - $39,999	1	1
$40,000 - $49,999	1	1

The three Executive Directors, Messrs Neilson, Clifford and Halstead, are employees of and have a relevant interest in the Investment Manager and accordingly will receive some portion of the management fee and performance fee; they do not receive any Directors' remuneration from the Company. Refer to Note 15.

The number of shares in which the Directors have a relevant interest at balance date:

	2003 Ordinary Shares	2002 Ordinary Shares
WK Neilson	893,626	1,516,924
AM Clifford	666,079	1,305,788
RM Halstead	650,910	1,291,712

Number of shares of the Company acquired or disposed of during the year in which the Directors have a relevant interest:

Acquisitions		
WK Neilson	59,556	115,725
AM Clifford	43,145	100,662
RM Halstead	42,052	99,657
Disposals		
WK Neilson	682,854	105,170
AM Clifford	682,854	105,170
RM Halstead	682,854	105,170

20. The Company

Platinum Capital Limited is a company limited by shares, incorporated and domiciled in New South Wales. Its registered office and principal place of business is:

Level 4, 55 Harrington Street
Sydney NSW 2000

A description of the nature of the Company's operations and its principal activities is included in the review of operations and activities in the Directors' report.

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 9 to 25:

(a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) give a true and fair view of the Company's financial position as at 30 June 2003 and its performance as represented by the results of its operations and its cashflows for the financial year ended on that date.

In the Directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; and
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

GW Galt
Director

WK Neilson
Director

Sydney
6 August 2003

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF PLATINUM CAPITAL LIMITED

Audit opinion

In our opinion, the financial report, set out on pages 9 to 26:

- . presents a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Platinum Capital Limited (the Company) as at 30 June 2003 and of their performance for the year ended on that date
- . is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001.

This opinion must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The financial report – responsibility and content

The preparation of the financial report for the year ended 30 June 2003 is the responsibility of the Directors of the Company. It includes the financial statements for the company.

The auditor's role and work

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company. Our role was to conduct the audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our audit did not involve an analysis of the prudence of business decisions made by the Directors or management.

In conducting the audit, we carried out a number of procedures to assess whether in all material respects the financial report presents fairly a view in accordance with the Corporations Act 2001, Accounting Standards and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001, which is consistent with our understanding of the Company's financial position, and their performance as represented by the results of their operations and cash flows.

The procedures included:

- . selecting and examining evidence, on a test basis, to support amounts and disclosures in the financial report. This included testing, as required by auditing standards, certain internal controls, transactions and individual items. We did not examine every item of available evidence
- . evaluating the accounting policies applied and significant accounting estimates made by the Directors in their preparation of the financial report
- . obtaining written confirmation regarding material representations made to us in conjunction with the audit
- . reviewing the overall presentation of information in the financial report.

Our audit opinion was formed on the basis of these procedures.

Independence

As auditor, we are required to be independent of the Company and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

PricewaterhouseCoopers
Chartered Accountants

AJ Loveridge
Partner

6 August 2003

DIRECTORY

Directors
Peter Clarke
Graeme Galt
Kerr Neilson
Andrew Clifford
Malcolm Halstead

Secretary
Malcolm Halstead

Investment Manager
Platinum Asset Management

Shareholder Liaison
Liz Norman

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Sydney NSW 2000
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Auditors and Taxation Advisors
PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

Solicitors
Allens Arthur Robinson
2 Chifley Square
Sydney NSW 2000

Stock Exchange Listing
Ordinary Shares listed on the Australian Stock Exchange Limited
Ordinary Shares ASX Code: **PMC**

Web site
www.platinumcapital.com.au

Platinum Asset Management does not guarantee the repayment of capital or the investment performance of the Company