

OFFER DOCUMENT

For a renounceable pro-rata rights issue of one (1) new ordinary share for every one (1) ordinary share at \$1.07 per share to raise up to approximately A\$136 million (before costs).

IMPORTANT NOTICE

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attached to, the shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer opens on 5 November 2008 (Opening Date) and closes at 5:00 pm (AEDST) on 19 November 2008 (Closing Date).

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

This Offer Document and the Entitlement and Acceptance Form do not constitute an offer of, or an invitation to subscribe for, any of the New Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Platinum Investment Management Limited (ABN 25 063 565 006) which holds an Australian Financial Services Licence number 221935 is offering to arrange for the issue of the New Shares on behalf of the Company pursuant to an Intermediary Authorisation Agreement in accordance with section 911A(2)(b) of the *Corporations Act (Cth)* (2001). A Financial Services Guide prepared by Platinum Investment Management Limited accompanies this Offer Document. By applying for New Shares, applicants accept the Offer by Platinum Investment Management Limited for the issue of New Shares. Platinum Investment Management Limited is responsible for arranging the distribution of this Offer Document and the Entitlement and Acceptance Forms.

TABLE OF CONTENTS

LETTER TO SHAREHOLDERS

1. DETAILS OF THE OFFER
2. ACTION REQUIRED BY SHAREHOLDERS
3. RISK FACTORS
4. GLOSSARY

Chairman's Letter to Shareholders

Dear Shareholder,

On behalf of the Board of Directors of Platinum Capital Limited, I have pleasure inviting you to participate in this new issue of Shares.

As outlined in this Offer Document, the Company is making a pro-rata renounceable rights issue of up to 127,163,967 New Shares to shareholders on the basis of one (1) share for every one (1) share held to raise up to A\$136,065,445 (before costs of the issue). Eligible Shareholders will be entitled to apply for additional shares that become available owing to rights not being taken up. Should such applications exceed the shares available a pro-rate scaleback will be applied.

Details of the maximum number of Shares which you may subscribe for are set out in the Entitlement and Acceptance Form which accompanies this Offer Document.

The New Shares will have no entitlement to the dividend to be declared at the AGM on 22 October 2008.

The issue price of A\$1.07 per share represents a discount of **10%** on the last sale price of existing shares on 13 October 2008 of A\$1.19.

The Board acknowledges that world stock markets face great uncertainty but the Investment Manager, Platinum Asset Management, is finding a growing number of companies that are unusually attractively priced in the context of anything other than an extreme economic downturn.

This Rights Offer is renounceable; as you are able to sell or transfer your rights.

Full details of the Rights Offer are set out in the Offer Document. Please read the Offer Document before deciding whether to acquire New or Additional Shares.

If you have any enquiries concerning this form or your entitlement, please contact Computershare on 1300 726 914 (callers within Australia) or 03 9415 4613 (for callers outside Australia).

Yours faithfully,

G Galt
Chairman

1. DETAILS OF THE OFFER

1.1 The Offer

Platinum Capital Limited (**PMC**) is making a renounceable pro rata offer of fully paid ordinary shares in the Company on the basis of one (1) fully paid PMC share (**New Share**) for every one (1) share held at 5:00 pm (AEDST) on 31 October 2008 at a price of A\$1.07 per share (**the Offer**). The issue price of A\$1.07 represents a 10% discount from the market price on 13 October 2008. The net asset value of the Company at 30 September 2008 was \$1.34 per share.

Your Entitlement to New Shares is shown on the accompanying Entitlement and Acceptance Form.

PMC's objective is to seek long-term capital growth through investing in companies which it perceives are undervalued by the market.

The purpose of the Offer is to provide PMC with additional capital to add to its existing investment portfolio. The Board acknowledges that world stock markets face great uncertainty but the Investment Manager, Platinum Asset Management, is finding a growing number of companies that are unusually attractively priced in the context of anything other than an extreme economic downturn.

1.2 Eligibility

You are eligible to participate in the Rights Issue only if you were a shareholder as at 5:00 pm (AEDST) on 31 October 2008 and have a registered address in either Australia or New Zealand (**Eligible Shareholders**). The Offer is not being extended to any shareholder whose registered address is outside Australia or New Zealand (**Excluded Shareholders**). Each offer to Eligible Shareholders is made on the same terms and conditions.

The Company has appointed a broker, Commonwealth Securities Limited (**CommSec**), to arrange for the sale of the Rights which would have been granted to Excluded Shareholders (subject to there being a viable market). The Company will account to those Excluded Shareholders for any net proceeds of sale (if any).

CommSec at its sole discretion will determine the price at which the Rights may be sold. Neither the Company, nor CommSec, will be subject to any liability for failure to sell the Rights or to sell the Rights at a particular price.

If, in the opinion of CommSec, there is no viable market for the Rights of Excluded Shareholders, such Rights will be allowed to lapse with no payment to Excluded Shareholders.

Shareholders who are resident in Australia and New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up their Rights does not breach the laws of the relevant overseas jurisdiction. The return of a duly completed Entitlement and Acceptance Form or payment of subscription moneys will constitute a representation by the applicant that there has been no breach of such laws.

1.3 Effect of the Offer on the Capital Structure of PMC

The capital structure of PMC following completion of the Offer is summarised below:

Shares	Number
Shares on issue at the date of the Offer	127,163,972
Maximum New Shares available under the Offer	127,163,967
Maximum number of total Shares potentially on issue at completion of the Offer	254,327,939

1.4 Timetable

The proposed timetable associated with the Offer is summarised below:

Event	Date
Announcement of Rights Issue and Appendix 3B lodged with the ASX.	16 October 2008
Cleansing Notice and Offer Information Statement lodged with the ASX.	16 October 2008
Despatch of notices to shareholders informing them of Rights Issue.	17 October 2008
Shares trade on an "Ex" Entitlement basis and Rights commence to trade.	27 October 2008
Record Date (books close) at 5.00 pm (AEDST) for determining entitlements to New Shares.	31 October 2008
Rights Issue Offer Document and Entitlement and Acceptance Form despatched to shareholders'.	5 November 2008
Last day of Rights trading.	12 November 2008
Trading on ASX of New Shares on 'deferred settlement' basis.	13 November 2008
Acceptances and renunciations close at 5.00 pm (AEDST).	19 November 2008
ASX notified of under-subscriptions. Shortfall facility implemented.	24 November 2008
Despatch holding statements to shareholders.	27 November 2008
Normal trading of New Shares commences.	28 November 2008

This timetable is indicative only and may be subject to change. The Company reserves the right to amend this indicative timetable at any time, subject to the *Corporations Act (Cth)* (2001) and the ASX Listing Rules.

1.5 Entitlements and Acceptance

The Entitlement of Eligible Shareholders to participate in the Offer will be determined at 5:00 pm (AEDST) on 31 October 2008. Your Entitlement to New Shares is shown on the accompanying Entitlement and Acceptance Form. In calculating your Entitlement to New Shares, fractional parts of less than one half share have been disregarded, and fractional parts of one half share or more have been regarded as one share. There is no minimum subscription.

1.6 Application for Additional Shares

Eligible Shareholders will be entitled to apply for any Additional Shares that become available owing to rights not being taken up. Should such applications exceed the shares available a pro-rate scaleback will be applied. Complete Part C of the accompanying Entitlement and Acceptance Form to apply for Additional Shares.

Please refer to section 2 for further information on applying for Additional Shares.

1.7 Renounceable Issue and Entitlement

The Rights Issue is renounceable. Accordingly, there will be trading of Entitlements on the ASX meaning Eligible Shareholders may choose to sell or transfer all or any part of their Entitlement instead of paying for the New Shares.

It is proposed that rights entitlements trading will commence on 27 October 2008 and end on 12 November 2008.

That does not mean you have to sell your Existing Shares. Your right to subscribe for New Shares may be sold or transferred without selling the Shares you presently hold.

Eligible Shareholders who do not take up their Entitlement or who do not sell their Rights will find that their Entitlement lapses.

1.8 Opening and Closing Dates

The Offer opens 5 November 2008 (**Opening Date**). The Company will accept Entitlement and Acceptance Forms until 5:00 pm (AEDST) on 19 November 2008 (**Closing Date**) or such other date as the PMC Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

1.9 Issue and Despatch

Shareholder statements will be despatched by 27 November 2008.

1.10 Application for Listing of New Shares

On 16 October 2008, PMC applied to the ASX for the New Shares to be quoted. If official quotation of the New Shares is not obtained, all application monies will be refunded without interest and the issue will not proceed.

1.11 Interest on Application Monies

Application monies will be held in trust by PMC from the date of receipt to the date of allotment of New Shares. PMC is entitled to all interest earned on the application monies.

Shareholders that apply for Additional Shares which are subsequently not available due to scale back, will be refunded without interest, that portion of the application monies relating to the Additional Shares.

1.12 Taxation implications

The PMC Directors do not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares or Additional Shares under this Offer. PMC, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for securities under this Offer Document.

1.13 Income Statement and Balance Sheet of the Company

The unaudited Balance Sheet as at 30 September 2008 and unaudited Income Statement for the period ended 30 September 2008 is shown below, together with the audited Balance Sheet as at 30 June 2008 and audited Income Statement for the year ended 30 June 2008.

The below figures do **not** take into account the effect of the Rights Issue.

Balance Sheet

	AIFRS (Unaudited) 30 September 2008 \$'000	AIFRS (Audited) 30 June 2008 \$'000
Assets		
Financial assets at fair value through profit or loss	140,735	138,847
Cash and cash equivalents	28,445	19,028
Receivables	1,933	407
Deferred tax assets	7,009	6,689
Income tax receivable	-	2,415
Total assets	178,122	167,386
Liabilities		
Payables	3,964	642
Income tax payable	615	0
Deferred tax liabilities	204	125
Total liabilities	4,783	767
Net assets	173,339	166,619
Equity		
Contributed equity	148,552	148,533
Retained profits	24,787	18,086
Total equity	173,339	166,619

Income Statement

	(Unaudited) 30 September 2008 \$'000	(Audited) 30 June 2008 \$'000
Investment income		
Dividends	963	3,185
Interest	106	502
Net gains/(losses) on equities/derivatives	7,806	(34,432)
Net gains/(losses) on forward currency contracts	(1,953)	3,043
Net gains/(losses) on overseas bank accounts	3,618	(2,064)
Total investment income	<u>10,540</u>	<u>(29,766)</u>
Expenses		
Management fee	617	2,888
Custody	34	176
Share registry	98	224
Directors' fees	42	169
Continuous reporting disclosure	56	127
Auditor's remuneration	45	136
Transaction costs	31	157
Withholding tax on foreign dividends	86	342
Other expenses	41	295
Total expenses	<u>1,050</u>	<u>4,514</u>
Profit/(loss) before income tax	9,490	(34,280)
Income tax expense/(benefit)	2,789	(10,419)
Profit/(loss) after income tax	<u>6,701</u>	<u>(23,861)</u>
Basic earnings per share (cents per share) (Before Rights Issue)	<u>5.27</u>	<u>(19.00)</u>
Diluted earnings per share (cents per share) (Before Rights Issue)	<u>5.27</u>	<u>(19.00)</u>

Note: The above Income Statement and Balance Sheet has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards (**AIFRS**).

The Rights Issue if fully subscribed will have an effect on the Company's Balance Sheet by increasing shareholders funds and net assets by approximately \$136 million (before expenses of the Rights Issue).

2. ACTION REQUIRED BY SHAREHOLDERS

2.1 How to Accept the Offer

You should carefully consider how to deal with this Offer, and then take action in accordance with the alternatives referred to below. You may:

- take up your Entitlement in full;
- sell all of your Entitlement on the ASX;
- take up some of your Entitlement and sell the balance on the ASX;
- transfer your Entitlement to another person or entity other than on the ASX;
- apply for Additional Shares in the event of a shortfall; or
- allow your Entitlement to lapse.

By accepting the Offer, you agree to be bound by the terms and conditions of the Offer and PMC's Constitution.

If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that Form. Please forward your completed Form together with your cheque, bank draft or money order for the amounts shown on the Form to:

Computershare Investor Services Pty Limited
GPO Box 253
Sydney NSW 2001
Australia

no later than 5:00 pm (AEDST) on 19 November 2008.

If you make your payment using BPay®, you do not need to return the Entitlement and Acceptance Form.

If you wish to sell all of your Entitlement on the ASX

If you wish to sell your full Entitlement on the ASX, forward the Entitlement and Acceptance Form to your broker with instructions to sell the whole of your Entitlement. Please note that quotation of Rights on the ASX will commence on 27 October 2008. Sale of your Entitlement must be completed by 12 November 2008, when Rights trading ceases.

If your shareholding is broker sponsored, you can only sell your Entitlement through your sponsoring broker.

If you wish to sell part of your Entitlement on the ASX and take up the balance

If you wish to sell part of your Entitlement on the ASX and take up the balance, please complete the section of the accompanying Entitlement and Acceptance Form marked "Instruction to your Stockbroker" and lodge the Form, together with your payment for the amount due in respect of the New Shares subscribed for, with your broker. Cheques should be in Australian dollars for the amounts due in respect of the New Shares you intend to accept.

If your shareholding is broker sponsored, you can only sell part of your Entitlement through your sponsoring broker.

If you wish to dispose of your Entitlement to another person or entity other than on the ASX

If you wish to dispose of your Entitlement to another person or entity other than on the ASX, shareholders holding Shares registered on the issuer sponsored sub-register maintained by Computershare should forward a completed Australian Standard Renunciation and Acceptance Form (**obtainable from your broker or Computershare**) together with your Entitlement and Acceptance Form and a cheque or bank draft from the applicable transferee for the appropriate amount to:

Computershare Investor Services Pty Limited
GPO Box 253
Sydney NSW 2001
Australia

no later than 5:00 pm (AEDST) on 19 November 2008.

Shareholders holding Shares registered on the CHESS sub-register should contact their sponsoring participant.

If you wish to apply for Additional Shares in the Event of a Shortfall

If you are an Eligible Shareholder, you may apply for additional New Shares if a shortfall exists following the Rights Issue (Additional Shares). A shortfall arises if the actual Application received for New Shares is less than the number of New Shares to be issued under the Rights Issue.

If you wish to apply for Additional Shares, please complete Part C of the accompanying Entitlement and Acceptance Form in accordance with instructions set out in that Form. Please forward your completed Form together with your payment via cheque, bank draft or money order for the amount calculated in accordance with instructions in the Form to:

Computershare Investor Services Pty Limited
GPO Box 253
Sydney NSW 2001
Australia

no later than 5:00 pm (AEDST) on 19 November 2008.

Please send a separate cheque or bank draft for the Additional Shares you are applying for.

If you make your payment using BPay®, you do not need to return the Entitlement and Acceptance Form.

Allowing your Entitlement to Lapse

If you do nothing and your Rights lapse you will receive no benefit from the Offer.

Payment

Payments will only be accepted in Australian currency as follows:

- (a) BPay® using the reference number shown on the Entitlement and Acceptance Form, which is required to identify your holding. **If you make your payment using BPay®, you do not need to return the Entitlement and Acceptance Form;** or
- (b) Cheque(s) drawn on and payable by an Australian bank or financial institution; or

- (c) bank draft drawn on and payable at any Australian bank; or
- (d) money order.

Other currency will not be accepted. Shareholders are asked not to forward cash. Receipts for payment will not be issued. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected.

By accepting payment via BPay® you:

- (a) accept the terms and conditions of the Rights Offer;
- (b) irrevocably accept the Rights Offer; and
- (c) apply to subscribe for shares in accordance with the Rights Issue.

Cheques, bank drafts or money orders should be made payable to "**Platinum Capital Limited – Rights Issue**" and crossed "**Not Negotiable**".

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected.

Please enter the name of a contact person and telephone number. These details will only be used in the event that the Registry has a query regarding the form.

If you have any enquiries concerning this form or your entitlement, please contact Computershare on 1300 726 914 (callers within Australia) or 03 9415 4613 (for callers outside Australia).

3. RISK FACTORS

There are a number of risk factors involved for shareholders in taking up their Entitlement. These risks are both specific to PMC and of a general nature, which will impact the performance of PMC and the value of the Shares. PMC has put in place various corporate governance, compliance and risk systems to mitigate risks, but the Company cannot guarantee that these safeguards and systems will be effective. Some risks are outside the control of PMC and its Directors and cannot be mitigated.

This section describes a number of risks associated with taking up this Offer, however investors should note that this list of risks are not exhaustive as not all risks can be foreseen or managed.

The risks include:

- **Negative investment performance:** This could adversely affect the Company's Net Asset Value (NAV), profits, performance, share price and ability to pay dividends. For example, if investment losses are incurred, particularly when we apply the accounting rule of marking to market, dividends may decline or be passed.

Furthermore, given, that the Company's investment methodology is one of value investing (where the Investment Manager seeks to identify companies it believes the market has undervalued), the Portfolio returns may differ significantly from industry benchmarks, such as the Morgan Stanley Capital International All Country World Net Index.

- **General investment risk:** Any protracted slow down in economic conditions or adverse changes in such factors as inflation, interest rates, exchange rates and government policy which are outside the control of the Company, may materially impact on the Company and its performance.
- **Investment market, currency and interest rate risk:** As a global equity investor, PMC is exposed to a range of market risks, currency risks and interest rate risks which may affect the companies and markets in which PMC invests. Although, PMC can employ various hedging strategies to mitigate this risk.
- **Share market risk:** The share price of the Company on the ASX may trade above or below the Offer price due to numerous factors that may affect the Company and are beyond the control of the Company or its Directors. This includes:
 - (i) the impact on the Australian share market from the current volatility being experienced in global financial or credit markets; and
 - (ii) general economic conditions such as changes in inflation rates, GDP and exchange rates and changes in government regulation.
- The share price of companies, including PMC, is affected by a diverse range of non-company specific circumstances such as the general state of the domestic or global economy. Such market-wide influences may materially affect the price of PMC's shares.
- **Counterparty risk:** PMC deals with a number of financial counterparties as part of its ordinary activities and each counterparty is subject to a risk of bankruptcy. This is particularly so in the context of recent events affecting global financial and credit markets. The Investment Manager seeks to mitigate this risk by dealing with a broad range of counterparties with good credit ratings.

- **Loss of key personnel:** The Investment Manager's ability to generate future earnings is dependent on its ability to attract, train, retain and motivate highly skilled and qualified employees.

In making investment decisions, investors must rely on their own examinations and assessment of the Offer, including the terms and conditions of the Offer and the merits and risks involved.

4. GLOSSARY

Additional Shares means those New Shares not issued under the Offer.

AIFRS means Australian Equivalents to International Financial Reporting Standards.

Application means an application for New Shares under the Offer.

ASX means the Australian Securities Exchange.

CommSec means Commonwealth Securities Limited.

Computershare means Computershare Investor Services Pty Limited, PMC's share registry

Eligible Shareholders means shareholders in PMC as at 5.00pm (AEDST) on 31 October 2008 with a registered address in Australia or New Zealand.

Entitlement or Right means each shareholder's pro rata entitlement to subscribe for New Shares under the Offer based on the number of Shares they hold as a proportion of the total issued capital of PMC.

Excluded Shareholders means shareholders in PMC as at 5.00pm (AEDST) on 31 October 2008 who do not have a registered address in Australia or New Zealand.

New Shares means the 127,163,972 Shares available under the Offer.

Offer or Rights Issue means the renounceable rights offer of one (1) Share for every one (1) Share held at 5.00pm (AEDST) on 31 October 2008 at a price of \$1.07 per Share.

Offer Document means this Offer Document dated 16 October 2008.

PMC or the **Company** means Platinum Capital Limited (ACN 063 975 431).

Shares means fully paid ordinary shares in PMC.

Directors

Graeme Galt
Peter Clarke
Bruce Coleman
Kerr Neilson
Andrew Clifford
Malcolm Halstead

Secretary

Malcolm Halstead

Investment Manager

Platinum Investment Management Limited

Shareholder Liaison

Liz Norman

Registered Office

Level 8, 7 Macquarie Place
Sydney NSW 2000

Securities Exchange Listing

Ordinary shares listed on the Australian Securities Exchange
ASX Code: PMC

Website

<http://www.platinumcapital.com.au>