



Chairman's Address

To the 13TH Annual General Meeting Friday, 19th October 2007

Listing Rule 3.13.3

Introduction

I will initially discuss the Company's investment performance, briefly touch on Corporate Governance, confirm the Directors' policy on dividends and finally comment on the outlook for 2007-2008.

Platinum Capital's performance in the 12 months to 30 June 2007 was disappointing. During the year, the net asset value increased by 5.5% pre-tax and by 4.2% after allowing for all tax liabilities both realised and unrealised. For a comparison the benchmark Morgan Stanley Capital Index rose 9.7% for the 12 months.

This short-term performance should be seen in the context of the long-term results which are more than satisfactory. Since its inception in 1994 the compound annual appreciation of the Company's assets on a pre-tax basis has been 16.2% compared to the return from the MSCI of 8.2%. The comparable return from the Australian All Ordinaries Accumulation Index has been 13.7% annually over the 13 years.

In the latest quarter to the 30th September the Company's NAV was down (1.26)% after tax and by (1.81)% on a pre tax basis. This compares to a (0.8)% decrease for the MSCI.

Platinum Capital's Net Asset Value at 30th September was \$1.62 per share post tax and at 16th October it was \$1.62.

The latest Quarterly Report from the Manager gives the detail of the most recent performance.

The Board remains confident that the Investment Manager, Platinum Asset Management, retains its competitive edge and continues to build in strength and depth.

Corporate Governance

The 2007 Annual Report has been prepared under Australian International Financial Reporting Standards, otherwise known as AIFRS.

Under AIFRS recorded profits or losses will be much more variable, as changes in the market value of the Company's total assets are reflected through the profit and loss account.

The longer term movement of asset values, combined with the flow of dividends, is a better measure of the performance of a listed investment company, such as Platinum Capital, than necessarily more volatile day by day, quarter by quarter or even year by year fluctuations in the profit and loss account.

Dividends

A fully franked final dividend of 10 cents is recommended, making 15 cents for the full year. Your Directors' policy of smoothing dividend payments over time continues. The Directors are proposing to maintain the final dividend at 10 cents, despite a 73.6% decline in reported profits.

Shareholders will realise that this policy of smoothing does not represent a guarantee. The ability of the Company to pay dividends must be a function of the return over time from the investment portfolio.

Outlook for 2007-2008

The Manager makes it clear that whilst an "inherent aversion to risk has clearly retarded our performance" the "long duration themes such as data mobility, infrastructural deficiency, the pulp and agriculture commodity cycle etc are well on track".

Most of the investments within these themes are companies with little or no debt and there is limited exposure to financial companies and the western consumer.

Overall the manager is seeking to participate in any future strong growth, especially in Asia, whilst minimising the risk of nasty surprises.

Finally

The Manager's report and the September Quarterly Investment Report are required reading for all shareholders! It is a valuable insight into the thought processes and depth of analysis behind the investment decisions made by the team at Platinum Asset Management.

I would like to express my appreciation of the efforts of the Manager along with those of my fellow Directors.