

PLATINUM CAPITAL LIMITED

CHAIRMAN'S ADDRESS

TO THE 9TH ANNUAL GENERAL MEETING THURSDAY, 23RD OCTOBER 2003

In this my first report as Chairman I will initially discuss the Company's investment performance, then briefly touch on Corporate Governance and finally confirm the Directors' policy on dividends.

In the Annual Report I wrote that the performance of Platinum Capital for the 12 months to June 30th, 2003 could best be described as "reasonable" in the context of a bear market that was both widespread and volatile. The Net Asset Value after allowing for all tax liabilities, both realised and unrealised, declined by 3.6% to 155.46 cents per share as at 30th June. On a pre tax basis the figure was negative 2.3%.

By comparison the MSCI, the accepted world benchmark index, declined 18.3% for the 12 months.

Of course over the longer term, since the Company's inception in 1994, the performance has been better than reasonable. On a pre tax basis the annualised return has been 17.3% compared to the MSCI return of 6.4% and the Australian All Ordinaries Accumulation Index which returned 4.7% over the same period.

From March onwards most stock markets experienced widespread increases fuelled by continuing low interest rates, a growing sense of optimism for further growth, especially in the USA and the out performance of a number of the so called developing economies. Platinum Capital benefited from this more positive environment and the performance for the first quarter of this financial year was up 9.7% after tax and by 11.7% on a pre tax basis. This compares with a 3.9% increase for the MSCI.

The Net Asset Value at 30th September was 170.56 cents per share and to the 17th October it is again up by 2.8% post tax.

The latest Quarterly Report of the Manager gives the detail of the most recent performance and in particular discusses the rationale behind the changing focus of investment decisions towards the emerging economies and stock markets.

Outlook

So, how do things look for the rest of this year and 2004? Pretty good – certainly better than at this time last year. Signs of economic recovery continue to mount, corporate profits, so far, are ahead of expectations and interest rates remain low.

Of available opportunities, the Manager is attracted to Emerging markets but equally warns of their volatility and sensitivity to any sell off in developed markets.

Dividends

It is the policy of your Directors' to smooth dividend payments over time and it is pleasing that we have been able to continue this policy with a total of 15 cents per share being paid this year. It should be noted however, that this is a policy and not a guarantee.

Corporate Governance

In the Annual Report it was noted that following on from the release of the ASX Corporate Governance Councils "Principles of Good Corporate Governance and Best Practise 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. The Annual Report contains a full statement on Corporate Governance.

Finally

This year has been a challenging one for the Company and by definition for the Manager. I would like to take this opportunity to thank shareholders for their continued support over the period and I particularly commend the efforts, diligence, transparency, and sheer competence of the Manager ie. Kerr Neilson, Andrew Clifford and their colleagues. They have served us well.

G Galt
Chairman