Chairman's address to the AGM on 5 November 2010

Listing Rule 3.13.3

Introduction

I will discuss the Company's Performance, Dividends and the Outlook for 2010-2011.

Performance

The Company has performed reasonably, given the prevailing investment market uncertainty and weakness of the global economy.

Funds Under Management ("FUM") increased by $4.4 billion (31.5%) to $18.4 billion at 30 June 2010. The increase in FUM comprises net inflows of $2.5 billion and investment performance of $1.9 billion.

It is pleasing to report this included inflows of some $1.2 billion of institutional money, which was a management focus highlighted last year.

Our clients' short and long-term investment performance remains strong.

Net profit after tax for the year was $136.9 million (2009: $126.1 million), an increase of 8.5%. Diluted earnings per share were 23.33 cps (2009: 21.62 cps). The increase in profit primarily arose from an increase in management fees of 16% to $217.4 million.

Expenses continue to be closely monitored. Costs for the year increased by 31%, owing mainly to performance related employee remuneration, including a full-year expense for a grant of options in June 2009.

No share options were granted in the 2010 financial year.

Dividends

A fully franked dividend of 14 cents per share was paid on 22 September 2010 and a fully franked dividend of 8 cents per share was paid on 16 March 2010.

The total dividend payout is in line with the Dividend Policy (of paying out 80-90% of net profit after tax) and consistent with our working capital needs.

The Directors are confident that future dividends will be fully franked.

The Board and its Committees

The Audit Committee dealt with a range of accounting, compliance and statutory matters in a satisfactory manner. The Remuneration Committee had a productive year, particularly focussed on incentive payment and employee reward issues.

Environment

Your Company remains carbon neutral, having purchased carbon credits to offset its carbon emissions.

Outlook for 2010-2011

The profit before tax for the 3 months ended this September is $53.4 million, 19.2% higher than the comparable period's $44.8 million. This has been driven by higher management fees earned from an average FUM of $18.1 billion, some 15.6% above the corresponding period. FUM at 31 October 2010 was $18.4 billion.

These profit numbers do not include any estimate of performance fees. Accordingly, the annual profit should not be projected off the first quarter's performance. Further, it can be noted the half-year result to December 31, 2009 included a $9.9 million performance fee from our Bermudan funds. Whilst the performance fee for the half-year cannot be finalised until calendar year-end, as of today we would likely not be entitled to much of a performance fee.

It is difficult to forecast or predict what will happen to our fee base and profit over the course of the next year, other than to say our relative investment performance when compared to the relevant MSCI indices remains encouraging across all our investment vehicles and we are hopeful this will translate to higher inflows and ultimately higher dividends for shareholders.

A particular positive has been the increasing acceptance of our investing style by investment consultants and institutional investors, particularly industry funds. Institutional investors continue to remain committed to equities as part of a diversified long-term investment portfolio. Thus Platinum's strong investment returns and low volatility augurs well for increasing our share of this market.

By contrast retail investor confidence both globally and in Australia remains fragile. In the US, equity mutual funds flows have been negative for 23 consecutive weeks and year to date redemptions total $US 80 billion.

While Platinum continues to attract positive retail net funds inflows the competition from bank term deposits is intense. These bank deposits offer real rates of return of around 4% per annum. This is similar to the projected returns of a balanced investment super fund but without an expected negative return every 4.6 years.

Conclusion

The Board's highest priority has been to ensure that the focus of the investment management team continues to be exclusively on our primary goal of making money for our investors.

To this end, the Board through the work of the Remuneration and Audit Committees has assisted in monitoring the incentive reward structure and compliance processes. I would like to thank my fellow Directors, Margaret Towers and Bruce Coleman for their assistance over the period.

The investment team led by Kerr Neilson and Andrew Clifford are to be congratulated for their outstanding efforts over the year. They have been well supported by all the other Platinum staff.

Michael Cole