Chairman’s Address

Annual General Meeting
Friday, 2 November 2007

Listing Rule 3.13.3

Introduction
The Company listed on the ASX on 23 May 2007, after 25 per cent of the Company’s shares were sold to Platinum’s clients, employees and the public. Presently 28.3% of shares are in public ownership.

The Company is the non-operating holding company of the investment manager, Platinum Asset Management.

Public company listing on the ASX brings a new regulatory framework and additional responsibilities to a new group of public shareholders. An important role for the new Board is to absorb as much of those responsibilities as possible so management can continue to focus on investing clients’ funds which will ultimately result in the optimal return to all our stakeholders.

Performance
The results were broadly in line with the Prospectus forecast. Owing to a slightly better than forecast revenue outcome the pre-tax profit is 4% better than the Prospectus. As a result the diluted EPS (earnings per share) is 30.4 cents compared to the 28.4 cents Prospectus forecast.

Once the impact of the “pre-acquisition” elements are eliminated, the operating profit before tax derived by the consolidated entity for the year ended 30 June 2007 is $248.5m (2006: $268.0m) a decline of 7.3%. Similarly, operating profit after tax for the year ended 30 June 2007 is $171.5m (2006: $187.6m) a decline of 8.6%. The reduction in operating profit is due to:

- a decline in performance fees of 53.3% from $80.5m in 2006 to $37.6m in 2007. Performance fees are volatile, largely in line with absolute investment returns; and

- the impact of one-off costs of $22m relating to the Offer of Shares and associated re-organisation costs.

The Company earns management fees as a percentage of Funds Under Management, or “FUM” in industry jargon. The increase in FUM for the year was 12% but the year end FUM of $21.218 was 5% short of the Prospectus forecast of $22.349 billion. The FUM at 30 September 2007 was $21.122 billion.

The Income Statement presented in the 2007 financial accounts together with the 2006 comparative figures include revenues and expenses derived by the Company prior to the restructure mentioned above.

I refer you to the last page of the Annual Report where an unaudited “pro-forma” Income Statement is presented. This is a normalised measure of the operating profit of the Company’s fund management business. This is comparable to the pro-forma income statement contained in the IPO Prospectus.

Dividends
As a financial service provider with limited capital requirements, the need for retained profits is slight. Owing to the volatility of revenues, the Directors intend to smooth Dividend payments and anticipate paying out 80% to 90% of net profit after tax. This is a policy, not a guarantee.

The Directors anticipate that the next Dividend will be a fully franked interim Dividend paid in March 2008 and that a fully franked final Dividend will be paid around November 2008.

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

Outlook for 2007-2008
Your Board has considered whether it is appropriate to offer earnings guidance or forecasts.

For an investment management company, such as Platinum, to forecast earnings requires a view to be taken on the future level of currencies and stock markets, to forecast dividend yields and the share price performance of investments, and, to forecast what companies will be invested in. Additionally, it requires us to forecast fund flows, for which we have no sound methodology upon which to base a prediction.

Accordingly your Board will not be offering earnings guidance or forecasts.

The normalised NPAT for the 3 months to 30 September 2007 is $58.7 million compared to the comparative 30 September 2006 of $ 56.4 million, a 4% improvement. For the full 2008 financial year we hope to record similar results to the 2007 financial year, but remain cautious and recognise that markets remain highly volatile. Costs are tracking predictably; the unknown factors are investment performance, funds flow and FUM.

A number of brokers' analysts are covering the stock. Currently the consensus broker fully diluted EPS forecast is 33.0 cents, a lift of approximately 8% on the previous year's normalised figure. Your Directors offer no comment on that forecast, other than to say, on the basis of my previous comments, perhaps it is more optimistic than our outlook.

As highlighted above our reluctance to forecast is owing to the potential for key profit drivers to swing markedly over the remaining period of the current financial year. However, one key variable where more certainty is emerging is Performance Share Fees that are determined for the period of the 2007 calendar year. The brokers' consensus forecasts appear to be generally assuming these Performance Share Fees match 2006's $38 million; however performance fees (at 30 September) are presently tracking $26 million, but this is still subject to the relevant portfolio performance over the next few months.

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