

PLATINUM ASSET MANAGEMENT[®] LIMITED and Controlled Entities
ABN 13 050 064 287

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Contents

Directors' Report

Income Statement

Balance Sheet

Statement Of Changes In Equity

Cash Flow Statement

Notes To The Financial Statements

Directors' Declaration

Independent Review Report

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, the report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public pronouncements made by Platinum Asset Management Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Platinum Asset Management Limited (the Company) and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

Directors

The following persons were Directors of the Company at the end of the half-year and up to the date of this report:

Michael Cole	Chairman and Non-Executive Director
Bruce Coleman	Non-Executive Director
Margaret Towers	Non-Executive Director
Kerr Neilson	Managing Director
Malcolm Halstead	Finance Director and Company Secretary

Trading Results

The profit after tax of the consolidated entity for the half-year was \$64,743,000 (2007: \$98,072,000) after income tax expense of \$28,791,000 (2007: \$48,342,000).

Review of Operations

The consolidated profit before tax for the half-year was \$93,534,000 (2007: \$146,414,000).

FUM for the half year ending 31 December 2008 is shown in the table below.

Fund	Opening balance at 30-Jun-08 (\$'million)	Flows (\$'million)	Investment performance (\$'million)	Closing balance at 31-Dec-08 (\$'million)
Platinum Trust Funds	10,894	(693)	476	10,677
MLC - Platinum Global Fund	1,740	(155)	20	1,605
Management fee mandates	1,053	(35)	117	1,135
Performance share fee mandates	1,279	(667)	197	809
Total	14,966	(1,550)	810	14,226

Dividends

The Directors have determined to pay a interim dividend of 8 cents per fully paid Ordinary Share, fully franked. The amount of the proposed dividend expected to be paid on 13 March 2009, but not recognised as a liability at 31 December 2008 is \$44,880,000.

Rounding of Amounts

The consolidated entity is of a kind referred to in the Australian Securities & Investments Commission's Class Order 98/0100 (as amended) and consequently amounts in the Directors' Report and financial statements have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Auditors' Independence Declaration

A copy of the Auditors' Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

This report is made in accordance with a resolution of the Directors.

Michael Cole
Chairman

Kerr Neilson
Director

Sydney
20 February 2009

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the review of Platinum Asset Management Limited and its controlled entities for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Platinum Asset Management Limited and its controlled entities during the half-year.

D A Prothero
Partner
PricewaterhouseCoopers

Sydney
February 2009

Income Statement

For the Half-Year ended 31 December 2008

	Notes	Consolidated Half-year to 31-Dec-08 \$'000	Consolidated Half-year to 31-Dec-07 \$'000
Income			
Management fees		95,133	128,410
Performance fees		9	28,592
Administration fees		4,558	5,962
Interest		5,554	3,555
Net (losses) on financial assets at fair value through profit or loss		(471)	(129)
Net gains/(losses) on foreign exchange contracts		(1,125)	25
Net gains/(losses) on foreign currency bank accounts		7,934	(111)
Total income		111,592	166,304
Expenses			
Staff		5,358	5,174
Custody and unit registry		4,468	5,652
Options and Performance Rights		2,277	2,960
Business Development		1,798	1,824
Research		720	710
Rent		625	581
Auditors' remuneration		490	473
Technology		454	487
Legal and compliance		440	218
IPO, restructuring and related costs		335	380
Depreciation		221	247
Share registry		190	543
Mail house		144	191
Periodic reporting		121	82
Other professional		100	51
Other occupancy		69	67
Miscellaneous		248	250
Total expenses		18,058	19,890
Profit before income tax expense		93,534	146,414
Income tax expense		28,791	48,342
Profit after income tax expense		64,743	98,072
Basic earnings per share (cents per share)	5	11.54	17.48
Diluted earnings per share (cents per share)	5	11.09	16.78

The above Income Statement should be read in conjunction with the accompanying notes

Balance Sheet

As at 31 December 2008

	Notes	Consolidated 31-Dec-08 \$'000	Consolidated 30-Jun-08 \$'000
Financial assets			
Financial assets held at fair value through profit or loss	3	59	1,027
Total financial assets		<u>59</u>	<u>1,027</u>
Current assets			
Cash and cash equivalents		14,436	171,160
Bank certificates of deposit		157,568	-
Trade receivables		17,237	18,599
Interest receivable		24	76
Prepayments		659	1,052
Total current assets		<u>189,924</u>	<u>190,887</u>
Non-current assets			
Net deferred tax assets		1,964	4,483
Fixed assets		2,714	2,742
Total non-current assets		<u>4,678</u>	<u>7,225</u>
Total assets		<u>194,661</u>	<u>199,139</u>
Current liabilities			
Payables		7,473	7,686
Current tax payable		8,237	12,433
Provisions		1,636	1,405
Total current liabilities		<u>17,346</u>	<u>21,524</u>
Total liabilities		<u>17,346</u>	<u>21,524</u>
Net assets		<u>177,315</u>	<u>177,615</u>
Equity			
Contributed equity	4	629,091	629,091
Reserves	4	(580,035)	(582,312)
		49,056	46,779
Retained profits		128,259	130,836
Total equity		<u>177,315</u>	<u>177,615</u>

The above Balance Sheet should be read in conjunction with the accompanying notes

Statement of Changes in Equity

For the Half-Year ended 31 December 2008

	Consolidated Half-year to 31-Dec-08 \$'000	Consolidated Half-year to 31-Dec-07 \$'000
Total equity at the beginning of the half-year	<u>177,615</u>	<u>77,825</u>
Profit for the half-year	64,743	98,072
Total recognised income and expense for the half-year	<u>64,743</u>	<u>98,072</u>
Transactions with equity holders in their capacity as equity holders:		
Share-based payments and other reserves	2,277	2,941
Dividends paid	(67,320)	-
	<u>(65,043)</u>	<u>2,941</u>
Total equity at the end of the half-year	<u>177,315</u>	<u>178,838</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Cash Flow Statement

For the Half-Year ended 31 December 2008

	Consolidated Half-year to 31-Dec-08 \$'000	Consolidated Half-year to 31-Dec-07 \$'000
Cash flow from operating activities		
Interest received	2,729	3,685
Receipts from operating activities	101,000	135,559
Payments for operating activities	(14,151)	(17,136)
Income taxes paid	(30,468)	(47,526)
Cash flow from operating activities	59,110	74,582
Cash flow from investing activities		
Receipts from sale of investments	14,353	7,625
Payments for purchases of investments	(7,917)	(7,892)
Purchase of fixed assets	(193)	(218)
Purchase of bank certificates of deposit	(154,691)	0
Cash flow from investing activities	(148,448)	(485)
Cash flow from financing activities		
Dividends paid	(67,291)	0
Cash flow from financing activities	(67,291)	0
Net increase/(decrease) in cash and cash equivalents	(156,629)	74,097
Cash and cash equivalents held at the beginning of the half-year	171,160	73,072
Effects of exchange rate changes on cash and cash equivalents	(95)	(18)
Cash and cash equivalents held at the end of the half-year	14,436	147,151

The above Cash Flow Statement should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year ended 31 December 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with AASB 134: *Interim Financial Reporting*, other mandatory professional reporting requirements and the Corporations Act 2001.

The interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public pronouncements made in respect of Platinum Asset Management Limited and the entities it controls during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the 30 June 2008 Annual Report.

2. SEGMENT INFORMATION

The consolidated entity operates its funds management business solely in Australia. However, it generates management and performance share fees from US-based Investment Mandates, as follows:

	Consolidated Half-year to 31-Dec-08 \$'000		Consolidated Half-year to 31-Dec-07 \$'000	
	Segment Revenue \$'000	Segment Results \$'000	Segment Revenue \$'000	Segment Results \$'000
Australia	100,959	82,901	129,694	109,804
North America	10,633	10,633	36,610	36,610
	111,592	93,534	166,304	146,414

3. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated 31-Dec-08 \$'000	Consolidated 30-Jun-08 \$'000
Unlisted unit trust investments	59	1,027
	59	1,027

4. CONTRIBUTED EQUITY

Movement in share capital (Parent & Consolidated)

Date	Details	Quantity	per per share	(\$) \$'000
1 July 2006	Brought forward Share Capital	100	1	-
3 April 2007	Stock split (subdivided 100 shares into 435,181,783 shares)	435,181,783	-	-
4 April 2007	38,793,950 shares issued in the Company for 100 shares in McRae Pty Limited	38,793,950	5	193,970
5 April 2007	87,024,267 shares issued in the Company for 279,295 shares in Platinum Asset Pty Limited	87,024,267	5	435,121
Contributed equity as at 31 December 2008		561,000,000		629,091

Movement in Reserves

		(\$) \$'000
1 July 2007	Brought forward Capital Reserve	(588,127)
	Movement in 2007 Share-based payments reserve	657
30 June 2008	Equity movement through Options and Performance Rights expected to be exercised and other reserves	5,158
31 December 2008	Equity movement through Options and Performance Rights expected to be exercised	2,277
Closing Reserves as at 31 December 2008		(580,035)

NOTES TO THE FINANCIAL STATEMENTS continued

For the Half-Year ended 31 December 2008

5. EARNINGS PER SHARE

	Consolidated Half-year to 31-Dec-08	Consolidated Half-year to 31-Dec-07
Basic earnings per share - cents per share	11.54	17.48
Diluted earnings per share - cents per share	11.09	16.78
Weighted average number of Ordinary Shares on issue used in the calculation of basic earnings per share	561,000,000	561,000,000
Weighted average number of Ordinary Shares on issue used in the calculation of diluted earnings per share	584,022,434	584,522,049
	Consolidated Half-year to 31-Dec-08 \$'000	Consolidated Half-year to 31-Dec-07 \$'000
Earnings used in the calculation of basic and diluted earnings per share	64,743	98,072

6. THE COMPANY

Platinum Asset Management Limited ("the Company") is a company limited by shares, incorporated and domiciled in New South Wales. Its registered office and principal place of business is Level 8, 7 Macquarie Place, Sydney, NSW 2000. The Company is the ultimate holding company for the entities listed in Note 7.

7. THE SUBSIDIARIES

The consolidated interim financial statements incorporate the assets, liabilities and results of the following subsidiaries:

- (a) McRae Pty Limited (incorporated in Australia) - (100% owned by the Company).
- (b) Platinum Asset Pty Limited (incorporated in Australia) - (100% owned by the Company).
- (c) Platinum Investment Management Limited (incorporated in Australia) - (indirectly 100% owned by the Company).
- (d) Platinum Asset Management Pte Ltd (incorporated in Singapore) - (indirectly 100% owned by the Company).

8. SUBSEQUENT EVENTS

No significant events have occurred since the reporting date which would impact on the financial position of the Company and/or the entities it controls as at 31 December 2008 and on the results for the half-year ended on that date.

DIRECTORS' DECLARATION

In the Directors' opinion,

- (a) the financial statements and notes set out on pages 4 to 9 are in accordance with the *Corporations Act 2001* including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that Platinum Asset Management Limited and its controlled entities will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Michael Cole
Director

Kerr Neilson
Director

Sydney
20 February 2009

Independent auditor's review report to the members of Platinum Asset Management Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Platinum Asset Management Limited, which comprises the balance sheet as at 31 December 2008 and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Platinum Asset Management Limited Group (the consolidated entity). The consolidated entity comprises both Platinum Asset Management Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Platinum Asset Management Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Platinum Asset Management Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PricewaterhouseCoopers

D A Prothero
Partner

Sydney
February 2009

DIRECTORY

Directors

Michael Cole
Bruce Coleman
Margaret Towers
Kerr Neilson
Malcolm Halstead

Secretary

Malcolm Halstead

Shareholder Liaison

Liz Norman

Registered Office

Level 8, 7 Macquarie Place
Sydney NSW 2000
1300 726 700 (Australia only) - phone
0800 700 726 (New Zealand only) - phone
+ 61 2 9255 7500 - phone
+ 61 2 9254 5555 - fax

Share Registrar

Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney NSW 2000
1300 855 080 (Australia only) - phone
+ 61 3 9415 4000 - phone
+ 61 3 9473 2500 - fax

Auditors and Taxation Advisors

PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

Securities Exchange Listing

Ordinary Shares listed on the Australian Securities Exchange
ASX Code: **PTM**

Website

http://www.platinum.com.au/paml_shares.htm