



Platinum International Fund[®] ARSN 089 528 307
Platinum Unhedged Fund[™] ARSN 123 939 471
Platinum Asia Fund[®] ARSN 104 043 110
Platinum European Fund[®] ARSN 089 528 594
Platinum Japan Fund[®] ARSN 089 528 825
Platinum International Brands Fund[®] ARSN 092 429 813
Platinum International Health Care Fund[®] ARSN 107 023 530
Platinum International Technology Fund[®] ARSN 092 429 555

Financial Report

For the Financial Year ended 30 June 2007

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Financial Report – For the Financial Year ended 30 June 2007

Contents

Responsible Entity Report	2
Income Statements	6
Balance Sheets	7
Statements of Changes in Equity	8
Cash Flow Statements	9
Notes to the Financial Statements	10
Directors' Declaration	40
Independent Audit Report	41

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Responsible Entity Report

The Directors of Platinum Investment Management Limited (trading as Platinum Asset Management[®]) ABN 25 063 565 006 AFSL 221935, the responsible entity of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund and the Platinum International Technology Fund (collectively referred to as “*the registered schemes*”), present their report on the registered schemes for the financial year ended 30 June 2007.

Principal Activities

During the year, the registered schemes continued to invest funds in accordance with the Product Disclosure Statement (PDS) and their respective Constitutions.

Directors of the Responsible Entity

The Directors of Platinum Investment Management Limited during the whole of the financial year and up to the date of this report were:

K Neilson
A Clifford
M Halstead

Significant Changes in the State of Affairs

The responsible entity is Platinum Investment Management Limited (which changed its name from Platinum Asset Management Limited on 20 February 2007). Platinum Unhedged Fund was established on 19 January 2005 and was offered to retail investors for the first time on 5 March 2007. There were no other significant changes to the state of affairs of the registered schemes during the financial year, other than those disclosed in this report or the financial statements.

Review of Operations

The registered schemes maintain their individual investment strategy in listed equities, unlisted equities, equity and index derivatives and currency contracts.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Responsible Entity Report (cont)

Results

The performance of the registered schemes, as represented by the results of their operations for the financial year ended 30 June 2007, were as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
				19 Jan 2005 - 30 June												
Net Operating Income/(Loss)	554,515	1,586,296	1,826	1,531	661,807	214,188	57,295	52,819	(100,298)	108,989	55,641	69,627	(26)	2,357	3,503	12,289

The distributions of the registered schemes at 30 June were:

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution Paid and Payable	905,865	997,666	1,505	820	292,944	104,092	39,646	28,886	36,252	86,893	27,854	31,563	887	556	2,871	147
Distribution (cents per unit)	19.07	25.54	6.01	41.32	30.01	13.37	24.05	22.21	9.71	22.37	8.48	12.59	4.00	3.19	5.08	0.27

The redemption prices of the registered schemes at 30 June were:

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Redemption Price – (cum-distribution)	2.0470	2.1827	1.1095	1.3842	2.9312	2.3521	2.4824	2.3250	2.2738	2.7375	2.1638	2.0958	1.1016	1.1412	1.1720	1.1107

Matters subsequent to the end of the financial year

Except as disclosed in the financial report, no other matter or circumstance has arisen since 30 June 2007 that has significantly affected or may significantly affect:

- (i) the operations of the registered schemes in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the states of affair of the registered schemes in future financial years.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Responsible Entity Report (cont)

Likely Developments

The registered schemes will continue to pursue their investment objectives so as to increase their net asset value. The method of operating the registered schemes is not expected to change in the foreseeable future.

Indemnification and Insurance of Officers and Auditors

No insurance premiums are paid for out of the assets of the registered schemes with regard to insurance cover provided to either the Manager or the Auditor of the registered schemes. So long as the officers of the responsible entity act in accordance with the schemes' Constitution and the Law, they remain fully indemnified out of the assets of the registered schemes against any losses incurred while acting on behalf of the registered schemes. The Auditor of the registered schemes is in no way indemnified out of the assets of the registered schemes.

Fees Paid to and Interests Held in the registered scheme

Fees paid to the responsible entity and its associates out of registered schemes property during the year are disclosed in Note 11 to the financial statements. No fees were paid out of the registered schemes property to the Directors of the responsible entity during the year.

Units on Issue

The movement in units on issue in the registered schemes during the year has been disclosed in Note 5 to the financial statements.

Environmental Regulation

The operations of the registered schemes are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The registered schemes are of a kind referred to in the Australian Securities & Investments Commission's Class Order 98/0100 (as amended) and consequently amounts in the Responsible Entity Report and financial report 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 attached on page 5.

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

M Halstead
Director

Sydney
17 August 2007

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Auditors' Independence Declaration

As lead auditor for the audit of Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund, and Platinum International Technology Fund (collectively referred to as "*the registered schemes*") for the financial year ended 30 June 2007, 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 audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the registered schemes during the period.

AJ Loveridge
Partner
PricewaterhouseCoopers

Sydney
17 August 2007

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Income Statements

For the year ended 30 June 2007

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007	2006	2007	19 Jan 2005 - 30 June 2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income																
Dividends	116,468	101,034	258	102	55,124	26,178	6,760	4,366	13,063	8,422	8,514	4,895	395	104	1,182	347
Interest	36,721	22,261	27	10	11,950	8,665	2,217	1,067	3,177	2,861	4,949	3,292	149	76	580	301
Net gains/(losses) on securities/derivatives	644,913	1,719,321	2,211	1,469	677,919	202,394	46,208	54,417	(45,626)	112,952	51,853	70,935	967	2,600	3,709	14,517
Net foreign exchange gains/(losses) on forward currency contracts	(82,652)	(128,165)	(503)	(15)	(38,488)	1,951	8,763	(2,389)	(51,799)	(1,402)	1,891	(2,825)	(1,038)	(116)	(769)	(1,995)
Total investment income	715,450	1,714,451	1,993	1,566	706,505	239,188	63,948	57,461	(81,185)	122,833	67,207	76,297	473	2,664	4,702	13,170
Expenses																
Management fee	127,408	102,875	76	-	32,366	18,022	4,878	3,444	14,453	10,166	8,731	5,179	385	235	924	721
Administration fee	6,653	5,968	5	-	2,312	1,287	348	246	1,032	726	624	370	28	17	66	51
Withholding tax on foreign dividends	12,401	10,543	28	11	4,346	2,148	716	494	1,280	781	1,026	507	21	12	82	34
Transaction costs	14,229	8,634	58	24	5,647	3,524	707	453	2,333	2,161	1,177	608	64	43	126	73
Other	244	135	-	-	27	19	4	5	15	10	8	6	1	-	1	2
Total expenses	160,935	128,155	167	35	44,698	25,000	6,653	4,642	19,113	13,844	11,566	6,670	499	307	1,199	881
Net operating income	554,515	1,586,296	1,826	1,531	661,807	214,188	57,295	52,819	(100,298)	108,989	55,641	69,627	(26)	2,357	3,503	12,289
Financing Costs																
Net operating income	554,515	1,586,296	1,826	1,531	661,807	214,188	57,295	52,819	(100,298)	108,989	55,641	69,627	(26)	2,357	3,503	12,289
(Increase)/decrease in net assets attributable to unitholders	351,350	(588,630)	(321)	(687)	(368,863)	(110,096)	(17,649)	(23,933)	136,550	(22,096)	(27,787)	(38,064)	913	(1,801)	(632)	(12,142)
Distribution paid and payable to unitholders	(905,865)	(997,666)	(1,505)	(844)	(292,944)	(104,092)	(39,646)	(28,886)	(36,252)	(86,893)	(27,854)	(31,563)	(887)	(556)	(2,871)	(147)
Net Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Balance Sheets

As at 30 June 2007

	Notes	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Assets																	
Financial assets at fair value through profit or loss	4	8,611,083	7,165,495	31,079	8,116	2,526,038	1,465,231	352,535	258,694	818,600	955,785	670,946	378,402	21,582	19,139	57,876	38,594
Cash and Cash Equivalents	13 (a)	1,078,636	1,375,271	4,194	412	321,011	366,152	56,702	45,711	4,459	111,029	41,911	148,540	2,877	3,067	7,944	21,387
Receivables	7	70,672	9,512	404	3	24,340	4,086	528	481	38,294	520	800	999	13	24	603	58
Total Assets		9,760,391	8,550,278	35,677	8,531	2,871,389	1,835,469	409,765	304,886	861,353	1,067,334	713,657	527,941	24,472	22,230	66,423	60,039
Liabilities																	
Unitholders' distribution payable	6	905,865	997,666	1,505	820	292,944	104,092	39,646	28,886	36,252	86,893	27,854	31,563	887	556	2,871	147
Payables	8	20,412	15,920	7,929	5,796	3,540	5,060	494	2,406	12,774	5,072	2,120	2,253	27	2,350	82	86
Total Liabilities (excluding net assets to unit holders)		926,277	1,013,586	9,434	6,616	296,484	109,152	40,140	31,292	49,026	91,965	29,974	33,816	914	2,906	2,953	233
Net Assets Attributable to Unitholders	5	8,834,114	7,536,692	26,243	1,915	2,574,905	1,726,317	369,625	273,594	812,327	975,369	683,683	494,125	23,558	19,324	63,470	59,806

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

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Statements of Changes in Equity

For the year ended 30 June 2007

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007	2006	2007	19 Jan 2005 - 30 June 2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year	-	5,331,559	-	-	-	525,109	-	170,121	-	239,616	-	157,575	-	7,939	-	44,282
Reclassification on adoption of AASB 132*	-	(5,331,559)	-	-	-	(525,109)	-	(170,121)	-	(239,616)	-	(157,575)	-	(7,939)	-	(44,282)
Total equity at the beginning of the financial year (restated)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total recognised income and expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with equity holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total equity at the end of the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*In accordance with AASB 132 unitholders' equity is classified as a liability and accordingly the registered schemes have no equity for financial reporting purposes.

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Cash Flow Statements

For the year ended 30 June 2007

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007	2006	2007	19 Jan 2005 - 30 June 2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities																
Interest received	36,909	21,849	14	10	12,315	8,104	2,166	1,018	3,411	2,691	5,214	2,879	154	79	586	290
Dividends received	116,720	101,128	233	99	50,820	25,074	6,775	4,275	13,114	8,355	8,484	4,804	399	96	633	357
Manager's fees paid	(132,493)	(105,954)	(46)	-	(33,384)	(17,905)	(5,094)	(3,563)	(15,660)	(9,928)	(9,110)	(5,148)	(411)	(239)	(980)	(756)
Other expenses paid	(15,704)	(9,152)	(61)	(24)	(5,769)	(3,651)	(721)	(473)	(2,323)	(2,290)	(1,204)	(661)	(64)	(45)	(128)	(80)
Cash paid for purchase of financial assets	(8,959,966)	(6,800,871)	(37,358)	(13,076)	(2,013,185)	(1,564,927)	(298,722)	(237,236)	(1,328,989)	(1,647,866)	(618,426)	(360,021)	(22,555)	(19,125)	(77,402)	(67,540)
Cash proceeds from sale of financial assets	8,119,551	6,443,833	16,952	6,393	1,594,744	800,152	257,864	187,940	1,348,679	1,025,758	376,806	211,052	20,061	10,253	61,875	72,561
Net cash inflow/(outflow) from operating activities	(834,983)	(349,167)	(20,266)	(6,598)	(394,459)	(753,153)	(37,732)	(48,039)	18,232	(623,280)	(238,236)	(147,095)	(2,416)	(8,981)	(15,416)	4,832
Cash Flows from Financing Activities																
Proceeds received from units issued	2,871,097	2,282,301	37,385	9,035	764,345	1,158,547	128,305	104,300	314,523	823,086	260,989	325,621	12,589	16,003	17,314	19,354
Cash paid for units redeemed	(1,222,325)	(965,705)	(12,446)	(2,011)	(284,620)	(149,959)	(49,923)	(42,642)	(344,167)	(117,117)	(99,218)	(49,593)	(9,655)	(6,497)	(14,282)	(16,242)
Distributions paid	(997,666)	(322,062)	(820)	(24)	(104,092)	(59,455)	(28,886)	(11,137)	(86,893)	(6,478)	(31,563)	(13,253)	(556)	(48)	(147)	(140)
Net cash inflow/(outflow) from financing activities	651,106	994,534	24,119	7,000	375,633	949,133	49,496	50,521	(116,537)	699,491	130,208	262,775	2,378	9,458	2,885	2,972
Net Increase/(Decrease) in Cash Held	(183,877)	645,367	3,853	402	(18,826)	195,980	11,764	2,482	(98,305)	76,211	(108,028)	115,680	(38)	477	(12,531)	7,804
Cash and cash equivalents at beginning of the financial year	1,375,271	705,827	412	-	366,152	168,308	45,711	41,824	111,029	33,723	148,540	32,370	3,067	2,558	21,387	13,170
Effects of exchange rate changes on cash and cash equivalents	(112,758)	24,077	(71)	10	(26,315)	1,864	(773)	1,405	(8,265)	1,095	1,399	490	(152)	32	(912)	413
Cash and Cash Equivalents at the End of the Financial Year	1,078,636	1,375,271	4,194	412	321,011	366,152	56,702	45,711	4,459	111,029	41,911	148,540	2,877	3,067	7,944	21,387

The above cash flow statements should be read in conjunction with the accompanying notes.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007

Note 1 Summary of Significant Accounting Policies

This financial report covers the Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund (collectively referred to as “the registered schemes”), as individual entities.

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes, the registered office is 7 Macquarie Place, Sydney, NSW 2000.

Registered Scheme	Date of Commencement
Platinum International Fund	4 April 1995
Platinum Unhedged Fund	19 January 2005
Platinum Asia Fund	3 March 2003
Platinum European Fund	12 June 1998
Platinum Japan Fund	12 June 1998
Platinum International Brands Fund	11 April 2000
Platinum International Health Care Fund	5 November 2003
Platinum International Technology Fund	11 April 2000

(a) Basis of preparation of the financial report

This general purpose financial report has been prepared in accordance with the requirements of the registered schemes’ Constitution, Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of “financial assets (including derivative instruments) held at fair value through profit or loss”.

Compliance with International Financial Reporting Standards (IFRS)

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of the registered schemes, comprising the financial statements and the notes thereto, complies with IFRS except that the registered schemes have elected to apply the exemption available under AASB 1 in respect of certain disclosure requirements contained in AASB 132: *Financial Instruments: Disclosure and Presentation*.

The preparation of the financial report in conformity with AIFRS requires the use of certain critical accounting estimates and judgements, which are included below.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 1 Summary of Significant Accounting Policies (cont)

(b) Income Tax

Under current legislation, the registered schemes are not subject to income tax provided that distributable income is fully distributed either by way of cash or reinvestment.

The benefits of imputation and foreign tax credits are passed on to unitholders.

(c) Financial Assets at Fair Value Through Profit or Loss

Under AASB 139 marketable equity securities are designated in the Balance Sheet as “financial assets at fair value through profit or loss”. These investments are initially recognised at fair value, typically represented by cost excluding transaction costs, which are expensed as incurred. Investments are measured at fair value and exclude transaction costs. Investments are valued based on quoted “bid” prices on long securities and securities sold short are valued based on quoted “ask” prices. Gains and losses arising from changes in the fair value of the financial assets are included in the Income Statement in the period in which they arise.

In accordance with AIFRS, derivative financial instruments are categorised as “financial assets held for trading” and are accounted for at fair value, with changes to such values to be recognised through the income statement in the period in which they arise. Derivative financial instruments are valued based on quoted “bid” prices on long securities and securities sold “short” are valued based on quoted “ask” prices. Gains and losses arising from changes in the fair value of the financial assets are included in the Income Statement in the period in which they arise.

(d) Transaction costs

Initial measurement (cost) on acquisition of trading securities shall not include directly attributable transaction costs such as fees and commissions paid to agents. Incremental transaction costs are expensed as incurred in the Income Statement.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 1 Summary of Significant Accounting Policies (cont)

(e) Net assets attributable to unitholders

Units on issue give the unitholder a right to redeem units at the redemption price and are therefore considered a liability rather than equity from 1 July 2005. The liability represents the balance of the net assets of the registered schemes as at reporting date. As unitholders' funds are classed as a liability under AIFRS, it will be necessary to recognise "increase/(decrease) in net assets" attributable to unitholders in the Income Statement as a finance cost.

(f) Foreign currency translation

The functional and presentation currency of the registered schemes as determined in accordance with AASB 121: *The Effects of Changes in Foreign Exchange Rates* will be the Australian dollar.

Transactions denominated in foreign currencies are translated into Australian currency at the rates of exchange prevailing on the date of the transaction. Foreign currency assets and liabilities existing at balance date are translated at exchange rates prevailing at balance date. Resulting exchange differences are brought to account in determining profit and loss for the year.

(g) Investment income

Interest Income

Interest income is recognised in the income statement using the effective interest method, which allocates income over the relevant period.

Dividend Income

Dividend income is brought to account on the applicable ex-dividend date.

(h) Distributions

In accordance with each registered schemes' Constitution, each registered scheme fully distributes its distributable income to unitholders by cash or reinvestment. Distributable income is determined by reference to the taxable income of the registered scheme. The distributions are paid before the end of July each year.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 1 Summary of Significant Accounting Policies (cont)

(i) Receivables

All receivables are recognised as and when they are due.

Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when there is evidence the amount will not be collected.

(j) Payables

All payables are recognised as and when they are incurred.

(k) Application and Redemptions

Applications received for units in the registered schemes are recorded net of any entry fees payable prior to the issue of units in the registered schemes. Redemptions from the registered schemes are recorded gross of any exit fees payable after the cancellation of units redeemed. The redemption price is determined by reference to the net assets of the registered scheme divided by the number of units on issue at or immediately prior to close of business each day. Issues and redemptions of units are processed simultaneously.

(l) Rounding of amounts to the nearest thousand dollars

The registered schemes are of a kind referred to in the Australian Securities & Investments Commission's Class Order 98/0100 (as amended) and consequently amounts in the Responsible Entity Report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

(m) Goods and Services Tax (GST)

The GST paid on the costs of various services provided to the responsible entity by third parties, such as investment Management fees, have been passed onto the registered schemes. The registered schemes qualify for Reduced Input Tax Credits (RITCs) at a rate of 75%. Investment Management fees have been recognised in the Income Statement net of the amount of GST recoverable from the Australian Taxation Office (ATO). The net of GST recoverable from the ATO is included in receivables in the Balance Sheet. Cash flows relating to GST are included in the Cash Flow Statement on a gross basis.

(n) Reporting Periods

The comparative amounts provided for Platinum Unhedged Fund have been presented for the period 19 January 2005 to 30 June 2006. The reason for using this longer period is because Platinum Unhedged Fund was established on 19 January 2005. As a result, comparative amounts for the income statement, statement of changes in equity, cash flow statement and related notes are not entirely comparable to the current reporting period. For all other registered schemes, the comparable and current reporting period is 12 months.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 1 Summary of Significant Accounting Policies (cont)

(o) New accounting standards and UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2007 reporting period. Our assessment of the impact of these new standards and interpretations on the registered schemes is set out below:

- (i) *AASB 7 Financial Instruments Disclosures* and *AASB 2005-10 Amendments to Australian Accounting Standards* (AASB 132, AASB 101, AASB 114, AASB 139 & AASB 1.)

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. AASB 7 requires qualitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The registered schemes have elected not to adopt the standard early. Application of this standard will not affect any of the amounts recognised in the financial report.

- (ii) *AASB 101 Presentation of Financial Statements*

The impacts of the revised AASB 101 are to eliminate much of the Australian specific content, including the Australian illustrative formats of the income statement, balance sheet and statement of changes in equity which entities were previously “encouraged” to adopt in preparing their financial statements.

- (iii) *AASB 8 Operating Segments* and *AASB 2007-3 Amendments to Australian Accounting Standards* (AASB 107 & AASB 134)

AASB 8 and AASB 2007- 3 are applicable to annual reporting periods beginning on or after 1 January 2009. AASB 8 requires the adoption of a "management approach" to disclosing information about its reportable segments. Generally, the financial information will be reported on the same basis as it is used internally by the chief decision maker for evaluating operating segment performance and deciding how to allocate resources to operating segments. We do not anticipate any additional disclosures as a result of adopting this standard. The amendment will not affect the registered schemes financial statements.

- (iv) *AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments* (AASB 1, AASB 7, AASB 114, AASB 118, AASB 121, AASB 132, AASB 134)

AASB 2007-4 was introduced to allow accounting policy choices under AIFRS that were not previously incorporated by the AASB, and to remove many Australian specific disclosures. Policy choices include the use of either the direct or indirect method when reporting cash flows from operating activities. The standard will have no impact as the registered schemes currently use the direct method whereby major classes of gross receipts and cash payments are disclosed.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 2 Auditors' Remuneration

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007 \$'000	2006 \$'000	2007 \$'000	19 Jan 2005 - 30 June 2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Auditing and review of financial reports	31,965	37,413	14,453	13,113	19,933	18,813	18,373	22,513	18,893	21,313	18,373	22,513	11,613	12,113	16,813	21,013
Auditing the Compliance Plan	6,968	6,700	1,560	1,500	5,720	5,500	3,640	3,500	4,160	4,000	3,640	3,500	1,560	1,500	2,860	2,750
Audit services – Assurance	624	446	624	-	624	446	624	446	624	446	624	446	624	446	624	446
Taxation services – Compliance	38,433	33,720	32,932	19,215	26,193	29,200	26,513	26,435	29,313	27,435	24,992	26,375	22,013	22,025	30,612	27,125
Other advisory services – GST	2,333	-	2,333	-	2,333	-	2,333	-	2,333	-	2,333	-	2,333	-	2,333	-
Other advisory services – Foreign tax agent	3,799	2,942	3,350	-	3,799	2,942	-	-	-	-	2,955	2,942	-	-	2,955	2,942
	<u>84,122</u>	<u>81,221</u>	<u>55,252</u>	<u>33,828</u>	<u>58,602</u>	<u>56,901</u>	<u>51,483</u>	<u>52,894</u>	<u>55,323</u>	<u>53,194</u>	<u>52,917</u>	<u>55,776</u>	<u>38,143</u>	<u>36,084</u>	<u>56,197</u>	<u>54,276</u>

In 2007 (and 2006) Auditors' Remuneration was paid by the responsible entity and reimbursed by the registered schemes.

Note 3 Taxation

Under current legislation the individual registered schemes are not subject to income tax as taxable income (including assessable net realised capital gains) is distributed in full to the unitholders.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 4 Financial Assets

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Listed and unlisted securities	8,570,995	7,115,282	31,079	8,116	2,526,038	1,465,231	350,930	259,854	817,379	951,834	668,380	378,635	21,702	19,172	57,496	38,092
Forward currency contracts	40,088	50,213	-	-	-	-	1,605	(1,160)	1,221	3,951	2,566	(233)	(120)	(33)	380	502
	8,611,083	7,165,495	31,079	8,116	2,526,038	1,465,231	352,535	258,694	818,600	955,785	670,946	378,402	21,582	19,139	57,876	38,594

Note 5 Net Assets Attributable to Unitholders

Movements in number of units and net assets attributable to unitholders during the financial year were as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007 \$'000	2006 \$'000	2007 \$'000	19 Jan 2005- 30 June 2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Opening balance	7,536,692	5,331,559	1,915	-	1,726,317	525,109	273,594	170,121	975,369	239,616	494,125	157,575	19,324	7,939	59,806	44,282
Adjustment to opening balance for adoption of AIFRS	-	299,907	-	-	-	82,524	-	17,882	-	10,840	-	22,458	-	453	-	270
Applications during the financial year	2,871,097	2,282,301	37,385	9,035	764,345	1,158,547	128,305	104,300	314,523	823,086	260,989	325,621	12,589	16,003	17,314	19,354
Redemptions during the financial year	(1,222,325)	(965,705)	(13,378)	(7,807)	(284,620)	(149,959)	(49,923)	(42,642)	(341,015)	(120,269)	(99,218)	(49,593)	(7,442)	(6,872)	(14,282)	(16,242)
Increase/(decrease) in net assets attributable to unitholders	(351,350)	588,630	321	687	368,863	110,096	17,649	23,933	(136,550)	22,096	27,787	38,064	(913)	1,801	632	12,142
Closing balance	8,834,114	7,536,692	26,243	1,915	2,574,905	1,726,317	369,625	273,594	812,327	975,369	683,683	494,125	23,558	19,324	63,470	59,806
	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000
Opening balance	3,905,812	3,268,137	1,983	-	778,806	331,680	130,081	101,702	388,368	122,054	250,730	108,884	17,445	9,066	53,909	52,366
Number of units issued during the financial year	1,457,678	1,124,301	35,177	8,404	307,583	513,337	56,250	48,625	127,436	311,045	125,151	167,029	11,155	14,505	14,981	17,999
Number of units redeemed during the financial year	(613,851)	(486,626)	(12,131)	(6,421)	(110,237)	(66,211)	(21,507)	(20,246)	(142,611)	(44,731)	(47,363)	(25,183)	(6,399)	(6,126)	(12,344)	(16,456)
Closing balance	4,749,639	3,905,812	25,029	1,983	976,152	778,806	164,824	130,081	373,193	388,368	328,518	250,730	22,201	17,445	56,546	53,909

Under AIFRS unitholders' equity is disclosed as a liability.

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 6 Distributions Paid and Payable

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Timing of distributions																
The distributions were paid/payable as follows:																
30 June final payable	905,865	997,666	1,505	820	292,944	104,092	39,646	28,886	36,252	86,893	27,854	31,563	887	556	2,871	147

Note 7 Receivables

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Unsettled trades	58,532	387	360	-	16,353	101	-	-	38,082	-	-	(17)	-	-	-	-
Dividends receivable	3,493	3,020	27	1	6,565	2,261	90	55	89	140	353	340	5	10	568	19
Interest receivable	1,595	1,784	13	-	650	1,015	188	138	-	234	209	475	1	7	26	31
Dividend tax refund receivable	1,056	1,781	1	2	-	-	199	249	-	-	98	81	4	4	-	-
Indian capital gains tax receivable	3,631	1,406	-	-	424	456	-	-	-	-	50	50	-	-	-	-
Other receivables	2,365	1,134	3	-	348	253	51	39	123	146	90	70	3	3	9	8
	70,672	9,512	404	3	24,340	4,086	528	481	38,294	520	800	999	13	24	603	58

Proceeds on sale of investments are usually received between two and five days after trade date. Interest is usually received within three days of becoming due and receivable and dividends are usually received within approximately 30 days of the ex-dividend date.

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 8 Payables

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Unsettled trades	8,633	5,709	1,166	-	40	2,854	-	2,044	11,677	648	1,243	1,621	-	112	-	14
Payable to unitholders	-	-	6,728	5,796	-	-	-	-	-	3,152	-	-	-	2,213	-	-
Accrued expenses	11,779	10,211	35	-	3,500	2,206	494	362	1,097	1,272	877	632	27	25	82	72
	20,412	15,920	7,929	5,796	3,540	5,060	494	2,406	12,774	5,072	2,120	2,253	27	2,350	82	86

Payables on purchase of investments are usually paid between two and five days after trade date.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 9 Risk Management

It is the registered schemes' investment objective to seek long term capital growth through investing in undervalued securities across the world. The registered schemes may also invest in fixed interest investments, although this is not a primary investment objective. The registered schemes' investments are subject to price risk which includes currency, interest rate, market, credit and liquidity risks.

The registered schemes' primary risks are related to the investment activities undertaken on its behalf by the responsible entity. The registered schemes have a policy of not borrowing money, other than on a short term basis for settlement, trading and like purposes. Derivatives are utilised for risk management purposes and to take opportunities to increase returns. However, the underlying value of derivatives held by a registered scheme may not exceed 100% of the net asset value of that scheme. The underlying value of long stocks and derivative contracts may not exceed 150% of the Portfolio Value. Where options are employed, the underlying value will be the delta adjusted exposure.

(a) Investments at Fair Value and Derivatives Exposure

	International Fund				Unhedged Fund			
	2007		2006		2007		2006	
	Physical \$'000	Net Exposure \$'000	Physical \$'000	Net Exposure \$'000	Physical \$'000	Net Exposure \$'000	Physical \$'000	Net Exposure \$'000
Japan	2,271,953	2,271,953	2,135,051	2,135,051	7,396	7,396	1,652	1,652
Other Asia	1,791,976	1,525,965	799,105	496,993	7,458	7,458	245	245
Australia	-	(281,994)	384,966	230,976	808	808	399	399
Europe – Euro	1,568,521	1,299,332	1,581,300	1,497,000	3,163	3,163	2,844	2,844
Europe – Other	300,547	300,547	450,868	450,868	1,163	1,163	733	733
North America	2,572,910	667,542	1,884,893	(347,766)	11,091	11,091	2,243	2,243
South America	378	378	237	237	-	-	-	-
South Africa	42,525	42,525	(52,717)	(52,717)	-	-	-	-
	8,548,810	5,826,248	7,183,703	4,410,642	31,079	31,079	8,116	8,116
Cash and accruals	1,140,909	3,863,471	1,357,063	4,130,124	4,194	4,194	412	412
Total	9,689,719	9,689,719	8,540,766	8,540,766	35,273	35,273	8,528	8,528
Futures & Options Notional Amounts 30 June 2007				(2,772,289)				-
Futures & Options Notional Amounts 30 June 2006				(3,562,219)				-

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 9 Risk Management (cont)

	Asia Fund			
	2007		2006	
	Physical \$'000	Net Exposure \$'000	Physical \$'000	Net Exposure \$'000
Other Asia	2,523,827	2,288,912	1,250,879	1,110,277
Europe – Euro	-	-	-	-
Europe – Other	-	-	-	-
North America	-	-	221,317	221,317
South America	-	-	-	-
	<u>2,523,827</u>	<u>2,288,912</u>	<u>1,472,196</u>	<u>1,331,594</u>
Cash and accruals	323,222	558,137	359,187	499,789
Total	<u>2,847,049</u>	<u>2,847,049</u>	<u>1,831,383</u>	<u>1,831,383</u>

Futures & Options Notional Amounts 30 June 2007 (237,766)

Futures & Options Notional Amounts 30 June 2006 (114,118)

	Japan Fund			
	2007		2006	
	Physical \$'000	Net Exposure \$'000	Physical \$'000	Net Exposure \$'000
Japan	815,771	815,771	769,053	877,082
Other Asia	1,608	1,608	181,168	28,932
Europe – Euro	-	-	-	-
Europe – Other	-	-	-	-
North America	-	-	-	-
South America	-	-	-	-
	<u>817,379</u>	<u>817,379</u>	<u>950,221</u>	<u>906,014</u>
Cash and accruals	5,680	5,680	116,593	160,800
Total	<u>823,059</u>	<u>823,059</u>	<u>1,066,814</u>	<u>1,066,814</u>

Futures & Options Notional Amounts 30 June 2007 -

Futures & Options Notional Amounts 30 June 2006 (45,329)

	European Fund			
	2007		2006	
	Physical \$'000	Net Exposure \$'000	Physical \$'000	Net Exposure \$'000
Other Asia	-	-	-	-
Europe – Euro	296,197	227,017	198,233	158,187
Europe – Other	51,552	51,552	54,537	54,537
North America	4,199	4,199	8,701	8,701
South America	-	-	(2)	(2)
	<u>351,948</u>	<u>282,768</u>	<u>261,469</u>	<u>221,423</u>
Cash and accruals	57,289	126,469	42,936	82,982
Total	<u>409,237</u>	<u>409,237</u>	<u>304,405</u>	<u>304,405</u>

Futures & Options Notional Amounts 30 June 2007 (68,108)

Futures & Options Notional Amounts 30 June 2006 (37,909)

	International Brands Fund			
	2007		2006	
	Physical \$'000	Net Exposure \$'000	Physical \$'000	Net Exposure \$'000
Japan	170,148	170,148	76,885	76,885
Other Asia	185,060	169,380	83,098	74,441
Europe – Euro	195,915	165,763	162,970	162,970
Europe – Other	55,312	55,312	30,142	30,142
North America	51,171	51,171	25,966	25,966
South America	11,494	11,494	-	-
	<u>669,100</u>	<u>623,268</u>	<u>379,061</u>	<u>370,404</u>
Cash and accruals	43,757	89,589	147,881	156,538
Total	<u>712,857</u>	<u>712,857</u>	<u>526,942</u>	<u>526,942</u>

Futures & Options Notional Amounts 30 June 2007 (14,918)

Futures & Options Notional Amounts 30 June 2006 (8,300)

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 9 Risk Management (cont)

	International Health Care Fund			
	2007		2006	
	Physical \$'000	Net Exposure \$'000	Physical \$'000	Net Exposure \$'000
Japan	1,060	1,060	1,752	1,752
Other Asia	606	606	576	576
Europe – Euro	2,042	2,042	2,084	2,084
Europe – Other	4,047	4,047	3,165	3,165
North America	13,487	13,190	11,595	11,595
South America	438	438	-	-
	<u>21,680</u>	<u>21,383</u>	<u>19,172</u>	<u>19,172</u>
Cash and accruals	2,779	3,076	3,034	3,034
Total	<u>24,459</u>	<u>24,459</u>	<u>22,206</u>	<u>22,206</u>
Futures & Options Notional Amounts 30 June 2007			(330)	
Futures & Options Notional Amounts 30 June 2006			-	

	International Technology Fund			
	2007		2006	
	Physical \$'000	Net Exposure \$'000	Physical \$'000	Net Exposure \$'000
Japan	10,046	10,046	9,347	9,347
Other Asia	21,828	21,828	11,209	11,209
Europe – Euro	5,965	5,965	3,640	3,640
Europe – Other	3,521	3,521	2,308	2,308
North America	16,422	11,897	11,588	11,588
South America	-	-	-	-
	<u>57,782</u>	<u>53,257</u>	<u>38,092</u>	<u>38,092</u>
Cash and accruals	8,038	12,563	21,889	21,889
Total	<u>65,820</u>	<u>65,820</u>	<u>59,981</u>	<u>59,981</u>
Futures & Options Notional Amounts 30 June 2007			(4,287)	
Futures & Options Notional Amounts 30 June 2006			-	

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 9 Risk Management (cont)

The “Physical” column shows the location of the investments.

The “Net Exposure” column represents an approximation of each registered scheme’s exposure to movements in the markets. This is calculated by making two adjustments to the “physical” position. The first is to subtract from the physical position, the principal notional amount of any short (sold) and add any long (bought) derivative positions in shares and shares index futures. For example, if 5% of the Portfolio for a registered scheme was invested in Japan but there was a 2% short exposure to Nikkei futures, the net exposure column would show 3%. Conceivably the figure could show a negative exposure which would indicate the Portfolio was net short the Japanese market. The second adjustment is for options held to buy shares (bought calls). A call option with the premium representing 0.5% of the Portfolio to buy shares in Toyota worth, say 3% of the Portfolio would require an additional 2.5% to be added to the Japanese exposure (thus determining underlying exposure).

The registered schemes use Exchange Traded and Over The Counter Options, where the maximum potential loss is paid up-front by way of a premium. There is little credit risk attached to these instruments, as they are traded on recognised exchanges or with high credit rating counterparties.

b) Credit Risk

The registered schemes are exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. They do not expect any counterparties to fail to meet their obligations given their high credit ratings. Where appropriate, the registered schemes utilise master netting agreements.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 9 Risk Management (cont)

(c) Foreign Exchange Risk

The international investment activities of the registered schemes expose them to currency risk – the possibility of losing money owing to changes in foreign currency exchange rates. Forward currency contracts are utilised as part of the management of this risk.

Currency exposure at fair value:

International Fund

2007	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	2,356,067	321,463	(285,935)	2,391,595
Other Asia	1,827,744	-	-	1,827,744
Australia	317,108	2,293,295	(124)	2,610,279
Europe – Euro	1,866,285	-	(405,070)	1,461,215
Europe – Other	300,574	-	(5,944)	294,630
North America	3,074,295	509,499	(2,427,184)	1,156,610
South America	378	-	-	378
South Africa	(52,732)	-	-	(52,732)
Total	9,689,719	3,124,257	(3,124,257)	9,689,719

2006	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	2,513,146	436,189	(246,770)	2,702,565
Other Asia	839,935	-	-	839,935
Australia	623,598	2,155,194	(70,099)	2,708,693
Europe – Euro	1,683,723	-	(190,712)	1,493,011
Europe – Other	480,340	-	(86,504)	393,836
North America	2,452,504	20,975	(2,018,273)	455,206
South America	237	-	-	237
South Africa	(52,717)	-	-	(52,717)
Total	8,540,766	2,612,358	(2,612,358)	8,540,766

Unhedged Fund

	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	7,442	-	-	7,442
Other Asia	7,201	-	-	7,201
Australia	4,858	-	-	4,858
Europe – Euro	3,172	-	-	3,172
Europe – Other	1,163	-	-	1,163
North America	11,437	-	-	11,437
South America	-	-	-	-
South Africa	-	-	-	-
Total	35,273	-	-	35,273

	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	1,796	-	-	1,796
Other Asia	392	-	-	392
Australia	429	-	-	429
Europe – Euro	2,853	-	-	2,853
Europe – Other	798	-	-	798
North America	2,260	-	-	2,260
South America	-	-	-	-
South Africa	-	-	-	-
Total	8,528	-	-	8,528

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 9 Risk Management (cont)

Asia Fund

2007	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Other Asia	2,168,655	-	-	2,168,655
Australia	148,377	-	-	148,377
Europe - Euro	-	-	-	-
Europe - Other	-	-	-	-
North America	530,017	-	-	530,017
South Africa	-	-	-	-
Total	2,847,049	-	-	2,847,049

2006	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Other Asia	1,347,707	-	-	1,347,707
Australia	214,498	-	-	214,498
Europe - Euro	-	-	-	-
Europe - Other	-	-	-	-
North America	269,178	-	-	269,178
South Africa	-	-	-	-
Total	1,831,383	-	-	1,831,383

European Fund

	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Other Asia	-	-	-	-
Australia	37,066	90,459	-	127,525
Europe - Euro	314,917	-	(90,459)	224,458
Europe - Other	46,401	-	-	46,401
North America	10,889	-	-	10,889
South Africa	(36)	-	-	(36)
Total	409,237	90,459	(90,459)	409,237

	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Other Asia	-	-	-	-
Australia	26,451	69,692	-	96,143
Europe - Euro	212,137	-	(69,692)	142,445
Europe - Other	54,537	-	-	54,537
North America	11,282	-	-	11,282
South Africa	(2)	-	-	(2)
Total	304,405	69,692	(69,692)	304,405

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 9 Risk Management (cont)

Japan Fund

2007	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	818,810	-	(54,521)	764,289
Other Asia	1,608	-	-	1,608
Australia	2,599	59,159	-	61,758
Europe - Euro	-	-	-	-
Europe - Other	-	-	-	-
North America	42	-	(4,638)	(4,596)
South America	-	-	-	-
Total	823,059	59,159	(59,159)	823,059

2006	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	806,840	111,500	(177,646)	740,694
Other Asia	181,168	-	-	181,168
Australia	33,041	182,888	(111,500)	104,429
Europe - Euro	-	-	-	-
Europe - Other	-	-	-	-
North America	45,765	-	(5,242)	40,523
South America	-	-	-	-
Total	1,066,814	294,388	(294,388)	1,066,814

International Brands Fund

	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	171,034	6,145	-	177,179
Other Asia	188,278	-	-	188,278
Australia	23,024	95,615	-	118,639
Europe - Euro	198,971	-	(83,674)	115,297
Europe - Other	55,873	-	(6,053)	49,820
North America	64,183	-	(12,033)	52,150
South America	11,494	-	-	11,494
Total	712,857	101,760	(101,760)	712,857

	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	101,937	6,828	-	108,765
Other Asia	88,577	-	-	88,577
Australia	102,344	16,839	(2,800)	116,383
Europe - Euro	163,099	-	(14,411)	148,688
Europe - Other	29,932	-	(6,456)	23,476
North America	41,053	-	-	41,053
South America	-	-	-	-
Total	526,942	23,667	(23,667)	526,942

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 9 Risk Management (cont)

International Health Care Fund

2007	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	1,376	6,368	-	7,744
Other Asia	606	-	-	606
Australia	193	3,996	-	4,189
Europe - Euro	2,036	295	-	2,331
Europe - Other	4,087	-	-	4,087
North America	15,723	-	(10,659)	5,064
South America	438	-	-	438
Total	24,459	10,659	(10,659)	24,459

2006	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	1,802	2,077	-	3,879
Other Asia	576	-	-	576
Australia	1,055	1,008	-	2,063
Europe - Euro	2,294	344	-	2,638
Europe - Other	3,164	-	-	3,164
North America	13,315	-	(3,429)	9,886
South America	-	-	-	-
Total	22,206	3,429	(3,429)	22,206

International Technology Fund

	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	10,345	-	(1,758)	8,587
Other Asia	16,304	-	-	16,304
Australia	3,218	13,484	-	16,702
Europe - Euro	7,244	-	-	7,244
Europe - Other	3,493	1,081	-	4,574
North America	25,216	-	(12,807)	12,409
South America	-	-	-	-
Total	65,820	14,565	(14,565)	65,820

	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	12,702	-	(2,036)	10,666
Other Asia	12,166	-	-	12,166
Australia	6,808	15,545	-	22,353
Europe - Euro	3,982	-	-	3,982
Europe - Other	2,336	1,255	-	3,591
North America	21,987	2,036	(16,800)	7,223
South America	-	-	-	-
Total	59,981	18,836	(18,836)	59,981

The above tables categorise the investments in the Portfolios into the geographic region of their operations.

Forward foreign currency contracts and options on forward currency contracts are adjusted against the "Physical" column to arrive at a net exposure to each currency grouping. The registered schemes generally utilise short dated (90 day maturities) currency agreements with high credit rating counterparties. The existing forward currency contract maturity dates range from 15 to 49 days.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 9 Risk Management (cont)

(d) Interest Rate Risk

The registered schemes are exposed to interest rate risks – the possibility of losing money owing to changes in interest rates and, more particularly for the registered schemes, the effect that changes in interest rates have on currency and stock market prices – and manages these as noted above for foreign exchange risk and below for market risk.

The registered schemes have no fixed interest investments, or derivatives thereon, at balance date.

(e) Market Price Risk

Market price risk is the risk that the value of the registered schemes investment portfolios will fluctuate as a result of changes in market prices. Each scheme aims to manage its risk through its overall investment strategy. Market risk analysis is conducted regularly on a total portfolio basis, which includes the effect of derivatives.

(f) Liquidity Price Risk

Liquidity risk is the risk that the registered schemes will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate. The risk management guidelines adopted are designed to minimise liquidity and cash flow risk through:

- ensuring that there is no significant exposure to illiquid or thinly traded financial instruments; and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

(g) Fair Value of Financial Assets

The fair value of financial assets and derivative financial instruments is included in Note 4. Refer to note 1(c) for information on the accounting policies applied to financial assets and derivatives.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 10 Key Management Personnel Disclosure

AASB 124 *Related Party Disclosures* defines key management personnel as “persons having authority and responsibility for planning, directing and controlling activities of the entity”. The only employees that have this authority and responsibility are the Directors of Platinum Investment Management Limited.

Directors

The following persons were Directors of Platinum Investment Management Limited during the whole of the financial year and up to the date of this report:

K Neilson
A Clifford
M Halstead

There are no other key management personnel within Platinum Asset Management.

Key management personnel compensation

The Directors (K Neilson, A Clifford and M Halstead) are all employees of Platinum Investment Management Limited, and are not compensated by the registered schemes. AASB 124 requires compensation provided by the registered schemes or on behalf of the registered schemes to be disclosed. Platinum Investment Management Limited is a related party of the three Directors, because the Directors are also Directors of Platinum Investment Management Limited which provides investment management services to the registered schemes. A portion of the compensation paid by Platinum Investment Management Limited to its employees is in relation to managing the affairs of the registered schemes. Platinum Investment Management Limited has not made any determination as to what proportion of its employees’ compensation relates to the registered schemes. Platinum Investment Management Limited paid: K Neilson a salary of \$207,575 (2006: \$250,000) and superannuation of \$105,111 (2006: \$12,140); A Clifford a salary of \$220,302 (2006: \$200,000), superannuation of \$42,384 (2006: \$12,140) and non-monetary benefits of \$3,415 (2006: \$3,470); M Halstead a salary of \$250,000 (2006: \$200,000) and superannuation of \$12,686 (2006: \$12,140).

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 10 Key Management Personnel Disclosure (cont)

Ownership interest disclosure relating to key management personnel and their related parties

All related party transactions are conducted on normal commercial terms and conditions.

Units held during the year by the key management personnel are:

K Neilson

Platinum International Fund – units held at 1 July 2006: 11,706,252.84 (1 July 2005: 10,283,089.89), units acquired during the year: 16,053,901.07 (2005/06: 1,423,162.95), units disposed of during the year: 12,240,406.50 (2005/06: nil), units held at 30 June 2007: 15,519,747.41 (30 June 2006: 11,706,252.84). Platinum Unhedged Fund – units held at 1 July 2006: 2,824,583.31 (19 January 2005: nil), units acquired during the year: 15,637,678.26 (19 January 2005 – 30 June 2006: 11,245,140.93), units disposed of during the year: 14,407,454.30 (19 January 2005 – 30 June 2006: 8,420,557.62), units held at 30 June 2007: 4,054,807.27 (30 June 2006: 2,824,583.31). Platinum Asia Fund – units held at 1 July 2006: 2,848,055.65 (1 July 2005: 2,669,204.13), units acquired during the year: 9,970,679.38 (2005/06: 178,851.52), units disposed of during the year: 5,084,035.12 (2005/06: nil), units held at 30 June 2007: 7,734,699.91 (30 June 2006: 2,848,055.65). Platinum European Fund – units held at 1 July 2006: 2,973,758.48 (1 July 2005: 2,682,442.20), units acquired during the year: 1,699,471.38 (2005/06: 291,316.28), units disposed of during the year: 1,371,809.53 (2005/06: nil), units held at 30 June 2007: 3,301,420.33 (30 June 2006: 2,973,758.48). Platinum Japan Fund – units held at 1 July 2006: 6,248,282.09 (1 July 2005: 4,403,428.51), units acquired during the year: 6,917,338.36 (2005/06: 3,026,035.26), units disposed of during the year: 6,604,241.83 (2005/06: 1,181,181.68), units held at 30 June 2007: 6,561,378.62 (30 June 2006: 6,248,282.09). Platinum International Brands Fund – units held at 1 July 2006: 875,338.32 (1 July 2005: 818,423.93), units acquired during the year: 776,372.18 (2005/06: 56,914.39), units disposed of during the year: 735,978.92 (2005/06: nil), units held at 30 June 2007: 915,731.58 (30 June 2006: 875,338.32). Platinum International Health Care Fund – units held at 1 July 2006: 2,116,074.18 (1 July 2005: 1,023,484.92), units acquired during the year: 12,394,891.29 (2005/06: 3,069,726.95), units disposed of during the year: 8,124,935.47 (2005/06: 1,977,137.69), units held at 30 June 2007: 6,386,030.00 (30 June 2006: 2,116,074.18). Platinum International Technology Fund – units held at 1 July 2006: 1,081,160.69 (1 July 2005: 1,072,588.92), units acquired during the year: 973,202.24 (2005/06: 8,571.77), units disposed of during the year: 918,364.42 (2005/06: nil), units held at 30 June 2007: 1,135,998.51 (30 June 2006: 1,081,160.69).

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 10 Key Management Personnel Disclosure (cont)

Ownership interest disclosure relating to key management personnel and their related parties (cont)

A Clifford

Platinum Unhedged Fund – units held at 1 July 2006: nil (19 January 2005: nil), units acquired during the year: 12,036,599.77 (19 January 2005 – 30 June 2006: 8,420,557.62), units disposed of during the year: 12,036,599.77 (19 January 2005 – 30 June 2006: 8,420,557.62), units held at 30 June 2007: nil (30 June 2006: nil). Platinum Asia Fund – units held at 1 July 2006: 248,175.91 (1 July 2005: nil), units acquired during the year: 276,403.25 (2005/06: 248,175.91), units disposed of during the year: 248,175.91 (2005/06: nil), units held at 30 June 2007: 276,403.25 (30 June 2006: 248,175.91). Platinum Japan Fund – units held at 1 July 2006: 1,016,746.41 (1 July 2005: 126,195.16), units acquired during the year: 2,309,371.42 (2005/06: 2,071,732.93), units disposed of during the year: 2,264,115.40 (2005/06: 1,181,181.68) units held at 30 June 2007: 1,062,002.43 (30 June 2006: 1,016,746.41). Platinum International Health Care Fund – units held at 1 July 2006: nil (1 July 2005: nil), units acquired during the year: 1,984,939.85 (2005/06:1,977,137.69), units disposed of during the year: 1,984,939.85 (2005/06: 1,977,137.69), units held at 30 June 2007: nil (30 June 2006: nil). Platinum International Technology Fund – units held at 1 July 2006: 83,794.20 (1 July 2005: 83,794.20), units acquired during the year: 87,579.25 (2005/06: nil), units disposed of during the year: 83,794.20 (2005/06: nil), units held at 30 June 2007: 87,579.25 (30 June 2006: 83,794.20).

M Halstead

Platinum International Fund – units held at 1 July 2006: 578,024.07 (1 July 2005: 622,728.43), units acquired during the year: 59,222.38 (2005/06: 67,472.43), units disposed of during the year: nil (2005/06: 112,176.79), units held at 30 June 2007: 637,246.45 (30 June 2006: 578,024.07). Platinum Unhedged Fund – units held at 1 July 2006: nil (19 January 2005: nil), units acquired during the year: 12,036,599.77 (19 January 2005 – 30 June 2006: 8,420,557.62), units disposed of during the year: 12,036,599.77 (19 January 2005 – 30 June 2006: 8,420,557.62), units held at 30 June 2007: nil (30 June 2006: nil). Platinum Asia Fund – units held at 1 July 2006: 417,865.89 (1 July 2005: 296,814.76), units acquired during the year: 47,527.75 (2005/06: 121,051.13), units disposed of during the year: nil (2005/06: nil), units held at 30 June 2007: 465,393.64 (30 June 2006: 417,865.89). Platinum European Fund – units held at 1 July 2006: 244,930.25 (1 July 2005: 221,596.66), units acquired during the year: 26,205.53 (2005/06: 23,333.59), units disposed of during the year: nil (2005/06: nil), units held at 30 June 2007: 271,135.78 (30 June 2006: 244,930.25). Platinum Japan Fund – units held at 1 July 2006: 549,685.96 (1 July 2005: 343,888.05), units acquired during the year: 1,271,835.86 (2005/06: 1,386,979.59), units disposed of during the year: (1,247,368.99) (2005/06: 1,181,181.68), units held at 30 June 2007: 574,152.83 (30 June 2006: 549,685.96). Platinum International Brands Fund – units held at 1 July 2006: 313,882.50 (1 July 2005: 180,647.03), units acquired during the year: 12,767.31 (2005/06: 133,235.47), units disposed of during the year: nil (2005/06: nil), units held at 30 June 2007: 326,649.81 (30 June 2006: 313,882.50). Platinum International Health Care Fund – units held at 1 July 2006: nil (1 July 2005: nil), units acquired during the year: 1,984,939.85 (2005/06: 1,977,137.69), units disposed of during the year: 1,984,939.85 (2005/06: 1,977,137.69), units held at 30 June 2007: nil (30 June 2006: nil).

Service Agreements

The Directors do not have service agreements, as they are employees of Platinum Investment Management Limited.

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 10 Key Management Personnel Disclosure (cont)

Related parties

Disclosures relating to management fees payable to Platinum Investment Management Limited, a related party are set out in note 11.

Two of the Directors, Messrs Neilson and Halstead, are also Directors of Platinum Asset Management Limited (listed holding company of Platinum Investment Management Limited). The remuneration paid by Platinum Investment Management Limited to these Directors has been disclosed above. Platinum Investment Management Limited has not made any determination as to what proportion of the Directors compensation relates to Platinum Asset Management Limited.

Note 11 Related Parties

Responsible Entity

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes.

Responsible Entity's and Manager's Fees

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Fees for the year paid by the registered schemes to the responsible entity	127,408,454	102,874,715	76,458	-	32,366,353	18,021,731	4,877,568	3,443,755	14,453,456	10,165,712	8,730,551	5,178,798	385,378	234,933	924,151	720,798
Aggregate amounts payable to responsible entity at reporting date	11,156,362	9,598,847	33,315	-	3,266,318	2,059,351	460,752	337,901	1,022,877	1,186,728	818,377	589,106	24,950	23,400	76,662	67,281

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 12 Segment Information

Business segment

The registered schemes operate solely in the business of investment management within Australia.

Geographical exposures

While the registered schemes operate from Australia only (the geographical segment), they have investment exposures in different countries. The geographic locations of those exposures are outlined below.

International Fund	Japan \$'000	Asia Ex Japan \$'000	Euro Europe \$'000	Other Europe \$'000	North America \$'000	South America \$'000	Africa \$'000	Australia \$'000	Total \$'000
2007									
Segment Revenue	(270,435)	209,765	172,964	63,584	593,474	43	-	(53,945)	715,450
Segment Result	(266,788)	203,130	165,039	61,617	578,652	42	-	(187,177)	554,515
Segment Assets	2,415,601	1,885,287	1,859,486	301,651	3,195,182	378	42,525	60,281	9,760,391
Segment Liabilities	-	5,837	451	-	(1,952)	-	-	921,941	926,277
2006									
Segment Revenue	722,134	340,703	340,702	96,396	171,748	227	6,765	35,776	1,714,451
Segment Result	716,565	337,153	335,431	94,496	168,983	226	6,685	(73,243)	1,586,296
Segment Assets	2,513,572	841,009	1,685,243	481,163	2,454,497	237	(52,717)	627,274	8,550,278
Segment Liabilities	5,709	2,234	3	-	(6,921)	-	-	1,012,561	1,013,586
Unhedged Fund									
2007									
Segment Revenue	(538)	616	491	343	1,100	-	-	(19)	1,993
Segment Result	(525)	596	468	331	1,056	-	-	(100)	1,826
Segment Assets	7,444	7,463	3,174	1,163	11,559	-	-	4,874	35,677
Segment Liabilities	648	95	-	-	423	-	-	8,268	9,434
2006									
Segment Revenue	647	(20)	470	109	328	-	-	32	1,566
Segment Result	634	(20)	457	107	321	-	-	32	1,531
Segment Assets	1,796	392	2,856	798	2,260	-	-	429	8,531
Segment Liabilities	-	-	-	-	-	-	-	6,616	6,616

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 12 Segment Information (cont)

Asia Fund	Asia Ex Japan \$'000	Euro Europe \$'000	Other Europe \$'000	North America \$'000	South America \$'000	Australia \$'000	Total \$'000
2007							
Segment Revenue	626,352	-	-	71,735	-	8,418	706,505
Segment Result	617,256	-	-	70,906	-	(26,355)	661,807
Segment Assets	2,608,284	-	-	115,953	-	147,152	2,871,389
Segment Liabilities	40	-	-	-	-	296,444	296,484
2006							
Segment Revenue	200,739	-	-	29,420	-	9,029	239,188
Segment Result	195,398	-	-	29,222	-	(10,432)	214,188
Segment Assets	1,350,023	-	-	269,280	-	216,166	1,835,469
Segment Liabilities	1,449	-	-	-	-	107,703	109,152
European Fund							
2007							
Segment Revenue	-	47,728	14,506	(290)	(29)	2,033	63,948
Segment Result	-	46,519	14,315	(287)	(32)	(3,220)	57,295
Segment Assets	-	314,046	51,807	5,625	-	38,287	409,765
Segment Liabilities	-	-	-	-	-	40,140	40,140
2006							
Segment Revenue	-	45,500	10,874	125	32	930	57,461
Segment Result	-	44,757	10,677	125	31	(2,771)	52,819
Segment Assets	-	212,304	54,677	11,293	(2)	26,614	304,886
Segment Liabilities	-	2,660	(615)	-	-	29,247	31,292

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 12 Segment Information (cont)

Japan 2007	Japan \$'000	Asia Ex Japan \$'000	Euro Europe \$'000	Other Europe \$'000	North America \$'000	South America \$'000	Australia \$'000	Total \$'000
Segment Revenue	(85,565)	3,120	-	-	(1,158)	-	2,418	(81,185)
Segment Result	(88,681)	2,586	-	-	(1,191)	-	(13,012)	(100,298)
Segment Assets	856,869	1,868	-	-	(106)	-	2,722	861,353
Segment Liabilities	11,677	676	-	-	(676)	-	37,349	49,026
2006								
Segment Revenue	69,762	50,768	-	-	1	-	2,302	122,833
Segment Result	68,106	49,522	-	-	1	-	(8,640)	108,989
Segment Assets	806,981	181,315	-	-	45,742	-	33,296	1,067,334
Segment Liabilities	648	676	-	-	(676)	-	91,317	91,965
International Brands Fund								
2007								
Segment Revenue	(21,901)	39,309	21,273	9,498	14,234	431	4,363	67,207
Segment Result	(21,630)	38,377	20,306	9,282	13,958	423	(5,075)	55,641
Segment Assets	171,053	193,727	199,025	55,917	58,389	11,494	24,052	713,657
Segment Liabilities	-	253	557	433	-	-	28,731	29,974
2006								
Segment Revenue	11,819	17,802	33,524	5,800	4,153	-	3,199	76,297
Segment Result	11,657	17,481	32,979	5,770	4,120	-	(2,380)	69,627
Segment Assets	101,937	88,902	163,137	29,975	41,073	-	102,917	527,941
Segment Liabilities	-	1,621	-	-	-	-	32,195	33,816

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 12 Segment Information (cont)

International Health Care Fund								
2007	Japan \$'000	Asia Ex Japan \$'000	Euro Europe \$'000	Other Europe \$'000	North America \$'000	South America \$'000	Australia \$'000	Total \$'000
Segment Revenue	(1,799)	383	312	376	944	95	162	473
Segment Result	(1,556)	330	267	319	805	82	(273)	(26)
Segment Assets	1,376	606	2,036	4,095	15,747	438	174	24,472
Segment Liabilities	-	-	-	-	-	-	914	914
2006								
Segment Revenue	(134)	73	551	474	1,628	-	72	2,664
Segment Result	(133)	70	539	466	1,596	-	(181)	2,357
Segment Assets	1,802	576	2,295	3,171	13,324	-	1,062	22,230
Segment Liabilities	-	-	112	-	-	-	2,794	2,906
International Technology Fund								
2007								
Segment Revenue	(1,221)	1,834	838	102	2,675	-	474	4,702
Segment Result	(1,197)	1,751	792	89	2,598	-	(530)	3,503
Segment Assets	10,348	23,128	7,244	3,493	18,666	-	3,544	66,423
Segment Liabilities	-	-	-	-	-	-	2,953	2,953
2006								
Segment Revenue	2,699	1,368	1,028	751	7,158	-	166	13,170
Segment Result	2,675	1,344	1,022	741	7,115	-	(608)	12,289
Segment Assets	12,702	12,185	3,982	2,336	21,988	-	6,846	60,039
Segment Liabilities	-	-	-	-	14	-	219	233

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 13 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities

(a) Reconciliation of Cash

For the purposes of the Cash Flow Statements, cash includes deposits at call and cash at bank. Cash at the end of the period, as shown in the Cash Flow Statements, is reconciled to the related items in the Balance Sheets as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash and cash equivalents	1,078,636	1,375,271	4,194	412	321,011	366,152	56,702	45,711	4,459	111,029	41,911	148,540	2,877	3,067	7,944	21,387

The registered schemes maintain bank accounts at various locations throughout the world to enable the settlement of purchases and sales of investments and to conduct other normal banking transactions. All accounts are at call and the majority bear floating interest rates in the range of 0.00% to 0.85%.

(b) Non Cash Financing Activities

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
During the year, the following distribution payments were reinvested in additional units	315,204	357,208	892	820	133,130	52,108	14,635	12,031	18,702	47,202	8,063	10,823	645	351	1,245	70

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 13 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities (cont)

(c) Reconciliation of Net Cash from Operating Activities to Operating Profit

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Net operating income	554,515	1,586,296	1,826	1,531	661,807	214,188	57,295	52,819	(100,298)	108,989	55,641	69,627	(26)	2,357	3,503	12,289
Unrealised movements on investments	(137,934)	(658,824)	(259)	(677)	(448,009)	(134,785)	(32,471)	(23,306)	120,043	(28,672)	(35,821)	(43,199)	825	(1,767)	(313)	(9,346)
(Increase)/decrease in investments	(1,307,654)	(1,267,364)	(22,704)	(7,439)	(612,798)	(832,620)	(61,370)	(78,163)	17,142	(701,732)	(256,723)	(174,471)	(3,268)	(9,658)	(18,969)	2,531
Decrease/(increase) in settlements receivable	(58,145)	8,969	(360)	-	(16,252)	(101)	-	-	(38,082)	2,163	(17)	17	-	-	-	-
Increase/(decrease) in settlements payable	2,924	5,051	1,166	-	(2,814)	2,854	(2,044)	2,044	11,029	(3,541)	(378)	1,621	(112)	112	(14)	(239)
Decrease/(increase) in exchange rates	112,758	(24,077)	71	(10)	26,315	(1,864)	773	(1,405)	8,265	(1,095)	(1,399)	(490)	152	(32)	912	(413)
Decrease/(increase) in dividends receivable	252	94	(25)	(3)	(4,304)	(1,104)	15	(91)	51	(67)	(30)	(91)	5	(8)	(549)	10
(Increase)/decrease in interest receivable	189	(412)	(13)	-	365	(561)	(50)	(49)	234	(170)	266	(413)	6	3	5	(11)
Increase/(decrease) in accrued expenses	1,568	2,889	35	-	1,294	1,404	132	127	(175)	959	245	401	2	13	10	13
(Increase)/decrease in other receivables	(3,456)	(1,789)	(3)	-	(63)	(564)	(12)	(15)	23	(114)	(20)	(97)	-	(1)	(1)	(2)
Net Cash Flows operating activities	(834,983)	(349,167)	(20,266)	(6,598)	(394,459)	(753,153)	(37,732)	(48,039)	18,232	(623,280)	(238,236)	(147,095)	(2,416)	(8,981)	(15,416)	4,832

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Notes to the Financial Statements

For the year ended 30 June 2007 (cont)

Note 14 Events Occurring after the Reporting Date

No significant events have occurred since balance date which would impact the financial position of the registered schemes as at 30 June 2007 and the results of the year ended on that date.

Note 15 Contingent Assets, Liabilities and Commitments

The registered schemes have no contingent assets, liabilities or commitments.

Platinum International Fund
 Platinum Unhedged Fund
 Platinum Asia Fund
 Platinum European Fund
 Platinum Japan Fund
 Platinum International Brands Fund
 Platinum International Health Care Fund
 Platinum International Technology Fund

Statement of Net Asset Value

Reconciliation of Net Asset Value before unitholders' liability in accordance with AIFRS to the Redemption Value*.

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Net assets attributable to unitholders per balance sheet	8,834,114	7,536,692	26,243	1,915	2,574,905	1,726,317	369,625	273,594	812,327	975,369	683,683	494,125	23,558	19,324	63,470	59,806
Add:																
Distributions paid and payable to unitholders	905,865	997,666	1,505	820	292,944	104,092	39,646	28,886	36,252	86,893	27,854	31,563	887	556	2,871	147
Less:																
Redemption cost of financial assets**	(24,368)	(21,367)	(70)	(7)	(7,171)	(4,591)	(1,025)	(758)	(2,127)	(2,664)	(1,782)	(1,317)	(61)	(50)	(165)	(150)
Difference between "bid" price under AIFRS and last price	7,323	12,192	93	17	691	6,043	922	689	2,127	3,578	1,131	1,113	71	78	101	72
Adjustments	-	110	-	-	-	(11)	-	42	-	-	-	(2)	-	-	-	-
Net Asset Value for redemption purposes	9,722,934	8,525,293	27,771	2,745	2,861,369	1,831,850	409,168	302,453	848,579	1,063,176	710,886	525,482	24,455	19,908	66,277	59,875
Redemption price	2,0470	2,1827	1,1095	1,3842	2,9312	2,3521	2,4824	2,3250	2,2738	2,7375	2,1638	2,0958	1,1016	1,1412	1,1720	1,1107

* Financial assets are valued at the last sale price with an allowance for transaction costs.

** Depending on the day of the week that the reporting period ends will determine whether the above redemption price will be available for unitholders to sell their holdings.

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Directors' Declaration

In the Directors' opinion the financial statements and notes of:

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund (together the 'registered schemes') as set out on pages 6 to 38.

- (a) 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 financial position of the registered schemes as at 30 June 2007 and of their performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the registered schemes 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.

M Halstead
Director

Sydney
17 August 2007

Independent Audit Report to the Unitholders of

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Report on the financial report

We have audited the accompanying financial report of Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Funds, Platinum International Healthcare Fund and Platinum International Technology Fund (together the “registered schemes”), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors’ declaration.

Directors’ responsibility for the financial report

The directors of Platinum Investment Management Limited (“the responsible entity”) are responsible for the preparation and fair presentation of the 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 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor’s responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Financial Report to determine whether it contains any material inconsistencies with the financial statements.

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

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Audit opinion (cont)

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters relating to the electronic presentation of the audited financial report

This audit report relates to the financial report and of the registered schemes for the financial year ended 30 June 2007 included on the Platinum Asset Management web site. The registered scheme's directors are responsible for the integrity of the Platinum Asset Management web site. We have not been engaged to report on the integrity of this web site. The audit report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Independence

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

Auditor's opinion of the financial report

In our opinion the financial report of the registered schemes is in accordance with the *Corporation Act 2001*, including:

- (i) giving a true and fair view of the registered scheme's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

AJ Loveridge
Partner

Sydney
17 August 2007