Chairman's Address

To the 12TH Annual General Meeting
Thursday, 26th October 2006

Listing Rule 3.13.3

Introduction
I will initially discuss the Company's investment performance, briefly touch on Corporate Governance, confirm the Directors' policy on dividends and finally comment on the outlook for 2006-2007.

Platinum Capital's performance in the 12 months to 30 June 2006 was commendable. During the year, the net asset value increased by 26.0% pre-tax and by 18.8% after allowing for all tax liabilities both realised and unrealised. For a comparison the benchmark Morgan Stanley Capital Index rose 21.1% for the 12 months.

The long term results are more than satisfactory. Since its inception in 1994 the compound annual appreciation of the Company's assets on a pre-tax basis has been 17.1% compared to the return from the MSCI of 8.0%. The comparable return from the Australian All Ordinaries Accumulation Index has been 12.3% annually over the 12 years.

In the latest quarter to the 30th September the Company's NAV was up 1.7% after tax and by 2.2% on a pre tax basis. This compares to a 4.0% increase for the MSCI.

Platinum Capital's Net Asset Value at 30th September was $1.74 per share post tax and at 23rd October it was $1.73.

The latest Quarterly Report from the Manager gives the detail of the most recent performance.

Corporate Governance
The 2006 Annual Report has been prepared under Australian International Financial Reporting Standards, otherwise known as AIFRS.

Under AIFRS recorded profits or losses will be much more variable, as changes in the market value of the Company's total assets are reflected through the profit and loss account.

It is now more true than ever that the longer term movement of asset values, combined with the flow of dividends, is a better measure of the performance of a listed investment company, such as Platinum Capital, than necessarily more volatile day by day, quarter by quarter or even year by year fluctuations in the profit and loss account.

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

Outlook for 2006-2007
In its latest report the Manager highlights the importance attached to "looking for and researching broad themes" …. where it "seeks to establish positions in unfashionable or

relatively under valued areas" where there is adequate potential for turnaround in performance and value.

Four themes are being pursued at present viz: paper, other soft commodities, quality large capitalisation companies and a capital spending cycle within information technology, with paper the most significant.

In a broader context the Manager remains cautiously optimistic, or looked at another way, cautiously pessimistic!

Much will depend on whether the US has a hard or soft landing and whether it will be offset by new growth in Europe and Japan. And then there are the uncertainties arising from abundant global liquidity and equities earnings yields exceeding those of bonds.

The Manager makes the observation that enlightenment may derive from the certainty "that the economic cycle has not been banished permanently".

Finally
I would like to express my appreciation of the efforts of the Manager along with those of my fellow Directors and in this context, the Audit Committee under the Chairmanship of Peter Clarke needs to be acknowledged.