

## Appendix 4D

### Interim Report

#### Listing Rule 4.2A.3

Company	Platinum Asset Management Limited
ASX Code	PTM
Half Year Ended	31 December 2011
Previous corresponding period – Half-Year Ended	31 December 2010
ABN	13 050 064 287

#### Results for Announcement to the Market

Announcement to the market for the Platinum Asset Management Limited Consolidated Group should be read in conjunction with the attached 31 December 2011 Interim Financial Report and the 30 June 2011 Annual Report:-

		%	\$A'000
Total revenue	down	14.52%	115,355
Net profit after income tax	down	14.37%	67,153
Diluted EPS (cents per share)			11.96 cps

The decrease in revenue and profit is directly related to the decrease in average daily funds under management ("FUM") when comparing the 6 month period to 31 December 2011 to 31 December 2010.

#### **Dividends**

Dividend declared	8 cents per share fully franked
Record date	27 February 2012
Payable date	12 March 2012

A dividend of 15 cents per share fully franked for the year ended 30 June 2011 was paid on 22 September 2011.

- Refer to the attached Auditor-reviewed financial statements for financial data on the Consolidated Group.

These are available at [http://www.platinum.com.au/images/ptm\\_1211.pdf](http://www.platinum.com.au/images/ptm_1211.pdf)

#### **Dividend Reinvestment Plan**

Whilst the Company has a Dividend Reinvestment Plan in place, it is not activated.

P Howard  
Company Secretary  
16 February 2012

**PLATINUM ASSET MANAGEMENT<sup>®</sup> LIMITED and Controlled Entities**

ABN 13 050 064 287

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

**PLATINUM ASSET MANAGEMENT® LIMITED and Controlled Entities**

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

<b>Contents</b>	<b>Page</b>
Directors' Report	3
Consolidated Statement of Comprehensive Income	5
Consolidated Balance Sheet	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9-10
Directors' Declaration	11
Independent Review Report	12
Directory	14

The interim financial report was authorised for issue on 16 February 2012 by the Company's Directors, who have the power to amend and re-issue the interim financial report.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, the report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public pronouncements made by Platinum Asset Management Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## PLATINUM ASSET MANAGEMENT® LIMITED and Controlled Entities

### INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

### DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Platinum Asset Management Limited (the Company) and the entities it controlled at the end of, or during, the half-year ended 31 December 2011.

#### Directors

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

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

#### Trading Results

The profit after tax of the consolidated entity for the half-year was \$67,153,000 (2010: \$78,423,000) after income tax expense of \$28,048,000 (2010: \$35,037,000).

#### Review of Operations

The consolidated profit before tax for the half-year was \$95,201,000 (2010: \$113,460,000).

FUM for the half-year ending 31 December 2011 is shown in the table below.

Fund	Opening balance at 1-Jul-11 (\$'million)	Flows (\$'million)	Investment performance (\$'million)	Closing balance at 31-Dec-11 (\$'million)
Platinum Trust Funds	13,042	(867)	(1,310)	10,865
MLC Platinum Global Fund	1,239	(148)	(127)	964
Management Fee Mandates	1,726	24	(193)	1,557
"Relative" Performance Fee Mandates	1,277	82	(166)	1,193
"Absolute" Performance Fee Mandates	531	101	(68)	564
<b>Total</b>	<b>17,815</b>	<b>(808)</b>	<b>(1,864)</b>	<b>15,143</b>

#### Dividends

The Directors have determined to pay a dividend of 8 cents per share, fully franked (2011: 10 cents per share).

The amount of the proposed dividend expected to be paid on 12 March 2012, but not recognised as a liability as at 31 December 2011, is \$44,908,000 (31 December 2010: \$56,135,000).

#### Rounding of Amounts

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

#### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 4. This report is made in accordance with a resolution of the Directors.

**Michael Cole**  
Chairman

**Kerr Neilson**  
Director

Sydney  
16 February 2012



## **Auditor's Independence Declaration**

As lead auditor for the review of Platinum Asset Management Limited for the half year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Platinum Asset Management Limited during the period.

AJ Loveridge  
Partner  
PricewaterhouseCoopers

Sydney  
16 February 2012

**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
DX 77 Sydney, Australia  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

**Consolidated Statement of Comprehensive Income**  
For the Half-Year ended 31 December 2011

	Notes	Half-Year to 31-Dec-11 \$'000	Half-Year to 31-Dec-10 \$'000
<b>Income</b>			
Management fees		104,522	118,375
Performance fees		261	5,321
Administration fees		5,252	6,006
Interest		6,177	5,738
Net gains/(losses) on financial assets at fair value through profit or loss		(867)	(123)
Net gains on foreign currency contracts		4	17
Net foreign exchange (losses) on bank accounts		6	(378)
<b>Total income</b>		<b>115,355</b>	<b>134,956</b>
<b>Expenses</b>			
Staff		6,818	6,042
Custody and unit registry		5,265	6,222
Business development		2,474	2,410
Share-based payments		1,416	2,993
Technology		856	639
Rent and other occupancy		807	740
Research		734	649
Other professional		386	269
Miscellaneous		283	200
Depreciation		272	227
Legal and compliance		251	487
Share registry		240	220
Auditor's remuneration		175	162
Mail house		140	152
Periodic reporting		37	84
<b>Total expenses</b>		<b>20,154</b>	<b>21,496</b>
<b>Profit before income tax</b>		<b>95,201</b>	<b>113,460</b>
Income tax expense		28,048	35,037
<b>Profit after income tax</b>		<b>67,153</b>	<b>78,423</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the half-year</b>		<b>67,153</b>	<b>78,423</b>
<b>Basic earnings per share</b> (cents per share)	<b>4</b>	<b>11.96</b>	<b>13.97</b>
<b>Diluted earnings per share</b> (cents per share)	<b>4</b>	<b>11.96</b>	<b>13.37</b>

*The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

**Consolidated Balance Sheet**

As at 31 December 2011

	Notes	31-Dec-11 \$'000	30-Jun-11 \$'000
<b>Current assets</b>			
Financial assets at fair value through profit or loss	2	7,798	7,468
Cash and cash equivalents		21,164	232,761
Term deposits		197,813	813
Trade receivables		19,091	21,114
Interest receivable		2,171	1,823
Prepayments		575	1,112
<b>Total current assets</b>		<b>248,612</b>	<b>265,091</b>
<b>Non-current assets</b>			
Deferred tax assets		1,674	1,506
Fixed assets		2,337	2,421
<b>Total non-current assets</b>		<b>4,011</b>	<b>3,927</b>
<b>Total assets</b>		<b>252,623</b>	<b>269,018</b>
<b>Current liabilities</b>			
Payables		5,564	5,216
Current tax payable		13,566	14,653
Provisions		1,930	1,704
<b>Total current liabilities</b>		<b>21,060</b>	<b>21,573</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		458	687
Provisions		30	50
<b>Total non-current liabilities</b>		<b>488</b>	<b>737</b>
<b>Total liabilities</b>		<b>21,548</b>	<b>22,310</b>
<b>Net assets</b>		<b>231,075</b>	<b>246,708</b>
<b>Equity</b>			
Contributed equity		629,091	629,091
Reserves		(565,735)	(567,151)
		63,356	61,940
Retained profits		167,719	184,768
<b>Total equity</b>		<b>231,075</b>	<b>246,708</b>

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

**Consolidated Statement of Changes in Equity**  
For the Half-Year ended 31 December 2011

	Notes	Contributed Equity \$'000	Reserves \$'000	Retained Profits \$'000	Total \$'000
<b>Balance at 1 July 2010</b>		<b>629,091</b>	<b>(573,126)</b>	<b>169,433</b>	<b>225,398</b>
Total comprehensive income for the half-year		-	-	78,423	78,423
Transactions with equity holders in their capacity as equity owners:					
Share-based payments	3	-	2,993	-	2,993
Dividends paid	5	-	-	(78,589)	(78,589)
<b>Balance at 31 December 2010</b>		<b>629,091</b>	<b>(570,133)</b>	<b>169,267</b>	<b>228,225</b>
<b>Balance at 1 July 2011</b>		<b>629,091</b>	<b>(567,151)</b>	<b>184,768</b>	<b>246,708</b>
Total comprehensive income for the half-year		-	-	67,153	67,153
Transactions with equity holders in their capacity as equity owners:					
Share-based payments	3	-	1,416	-	1,416
Dividends paid	5	-	-	(84,202)	(84,202)
<b>Balance at 31 December 2011</b>		<b>629,091</b>	<b>(565,735)</b>	<b>167,719</b>	<b>231,075</b>

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



**Consolidated Statement of Cash Flows**  
For the Half-Year ended 31 December 2011

	<b>Half-Year to 31-Dec-11 \$'000</b>	<b>Half-Year to 31-Dec-10 \$'000</b>
<b>Cash flow from operating activities</b>		
Interest received	5,829	6,607
Distributions received	100	1
Receipts from operating activities	111,961	124,661
Payments for operating activities	(17,456)	(20,967)
Income taxes paid	(29,532)	(30,833)
<b>Cash flow from operating activities</b>	<u>70,902</u>	<u>79,469</u>
<b>Cash flow from investing activities</b>		
Receipts from sale of investments	932	3,001
Payments for purchases of investments	(2,125)	(8,689)
Purchase of fixed assets	(188)	(168)
Proceeds on maturity of term deposits and bank certificates of deposit	813	194,128
Purchase of term deposits and bank certificates of deposit	(197,813)	(813)
<b>Cash flow from investing activities</b>	<u>(198,381)</u>	<u>187,459</u>
<b>Cash flow from financing activities</b>		
Dividends paid	(84,122)	(78,497)
Payments (to)/from related party	(3)	-
<b>Cash flow from financing activities</b>	<u>(84,125)</u>	<u>(78,497)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(211,604)	188,431
Cash and cash equivalents held at the beginning of the half-year	232,761	29,758
Effects of exchange rate changes on cash and cash equivalents	7	(357)
<b>Cash and cash equivalents held at the end of the half-year</b>	<u><b>21,164</b></u>	<u><b>217,832</b></u>

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year ended 31 December 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial report for the interim half-year reporting period ended 31 December 2011 has been prepared in accordance with AASB 134: *Interim Financial Reporting*, other mandatory professional reporting requirements and the *Corporations Act 2001*.

The interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public pronouncements made in respect of Platinum Asset Management Limited and the entities it controlled during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Under AASB 107, term deposits that have maturities of less than three months from the date of acquisition are classified as "cash and cash equivalents" in the Balance Sheet. Term deposits that have maturities of more than three months are classified as "term deposits" in the Balance Sheet. All term deposits are held with licensed Australian banks.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. Comparative information has been reclassified where appropriate to enhance comparability.

#### *New Accounting Standards and Interpretations*

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2011 reporting period. The Company's and consolidated entity's assessment of the impact of these new standards and interpretations are set out below:

#### *(i) AASB 10 Consolidated Financial Statements and revised AASB 127 Separate Financial Statements (effective 1 January 2013)*

AASB 10 replaces all of the guidance on control and consolidation stipulated in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. There is also new guidance on participating and protective rights and on agent/principal relationships. The consolidated entity does not expect the new standard to have an impact on its composition. The Standard will not have any impact on the Company or consolidated entity's financial statements.

AASB 127 is renamed *Separate Financial Statements* and is now a standard dealing solely with separate financial statements. Application of this standard by the Company or consolidated entity will not affect any of the amounts recognised in the financial statements.

The Company or consolidated entity does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

#### *(ii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)*

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Company or consolidated entity has yet to determine if its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the precise impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard should not have a significant impact on the type of information disclosed in the notes to the financial statements. The Company or consolidated entity does not intend to adopt the new standard before its operative date, which is the annual reporting period ending 30 June 2014.

### 2. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	31-Dec-11 \$'000	30-Jun-11 \$'000
Unlisted unit trust investments	7,798	7,468

### 3. EQUITY

#### Movement in Reserves

	Half-Year to 31-Dec-11 \$'000	Half-Year to 31-Dec-10 \$'000
Vested shares - Options (granted on 22 May 2007)	-	1,519
Unvested shares - Options (granted on 17 June 2009)	1,254	1,257
Unvested shares - Fund appreciation rights (granted on 1 April 2009)	6	84
Unvested shares - Fund appreciation rights (granted on 1 April 2010)	77	133
Unvested shares - Fund appreciation rights (granted on 1 April 2011)	79	-
	<u>1,416</u>	<u>2,993</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year ended 31 December 2011

### 4. EARNINGS PER SHARE

	Half-Year to 31-Dec-11	Half-Year to 31-Dec-10
Basic earnings per share - cents per share	11.96	13.97
Diluted earnings per share - cents per share	11.96	13.37
Weighted average number of Ordinary Shares on issue used in the calculation of basic earnings per share	561,347,878	561,347,878
Weighted average number of Ordinary Shares on issue used in the calculation of diluted earnings per share excluding options that are out of the money	561,347,878	586,678,900
	<b>Half-Year to 31-Dec-11 \$'000</b>	<b>Half-Year to 31-Dec-10 \$'000</b>
Earnings used in the calculation of basic and diluted earnings per share	67,153	78,423

### 5. DIVIDENDS (fully franked)

	Half-Year to 31-Dec-11 cents per share		Half-Year to 31-Dec-10 cents per share	
	\$'000	\$'000	\$'000	\$'000
Paid - 22 September 2010	-	-	14.00	78,589
Paid - 22 September 2011	15.00	84,202	-	-
	15.00	84,202	14.00	78,589

Since the period end, the Directors have determined to pay a fully franked dividend of 8 cents per share. This dividend has not been provided for at 31 December 2011.

### 6. SEGMENT INFORMATION

The consolidated entity is organised into one main operating segment with only one key function, being funds management. It generates management and performance fees from Australian investment vehicles and its US-based investment mandates.

### 7. THE COMPANY

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

The Company is the ultimate holding company for the entities listed in Note 8.

### 8. THE SUBSIDIARIES

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

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

### 9. EVENTS OCCURRING AFTER REPORTING DATE

No significant events have occurred since the reporting date that would impact on the financial position of the Company and/or the entities it controls at 31 December 2011 and on the results for the half-year ended on that date.

### 10. TRANSACTIONS WITH RELATED PARTIES

Platinum Investment Management Limited provides investment management services to related party unit trusts - the Platinum Trust Funds and to the ASX-listed investment company, Platinum Capital Limited. Platinum Investment Management Limited is entitled to receive a monthly management fee from Platinum Capital Limited and the Platinum Trust Funds, a monthly administration fee from the Platinum Trust Funds and in some instances a performance fee (that is calculated annually) based upon the relevant Funds and Platinum Capital Limited's investment return over and above a specified benchmark. The total related party fees recognised in the Statement of Comprehensive Income for the period ended 31 December 2011 was \$90,413,715 (2010: \$105,767,021). Of this, an amount of \$13,870,439 was receivable at 31 December 2011 (2010: \$18,023,469).

## **DIRECTORS' DECLARATION**

In the Directors' opinion,

- (a) the financial statements and notes set out on pages 5 to 10 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.
- (b) there are reasonable grounds to believe that Platinum Asset Management Limited and its controlled entities will be able to pay its debts as and when they become due and payable.

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

**Michael Cole**  
Chairman

**Kerr Neilson**  
Director

Sydney  
16 February 2012



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

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Platinum Asset Management Limited, which comprises the Balance Sheet as at 31 December 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the half-year ended on that date, selected explanatory notes and the Directors' Declaration for the Platinum Asset Management Limited group (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled during that half-year.

#### *Directors' responsibility for the half-year financial report*

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Platinum Asset Management Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### *Independence*

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

**PricewaterhouseCoopers, ABN 52 780 433 757**

Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171

DX 77 Sydney, Australia

T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)



*Conclusion*

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

AJ Loveridge  
Partner

Sydney  
16 February 2012

## **DIRECTORY**

### **Directors**

Michael Cole  
Bruce Coleman  
Margaret Towers  
Kerr Neilson  
Philip Howard

### **Company Secretary**

Philip Howard

### **Shareholder Liaison**

Liz Norman

### **Registered Office**

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

### **Share Registrar**

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

### **Auditor and Taxation Advisor**

PricewaterhouseCoopers  
Darling Park Tower 2  
201 Sussex Street  
Sydney NSW 2000

### **Securities Exchange Listing**

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

### **Website**

[http://www.platinum.com.au/paml\\_shares.htm](http://www.platinum.com.au/paml_shares.htm)

Platinum Asset Management® does not guarantee the repayment of capital or the investment performance of the Investment Manager.