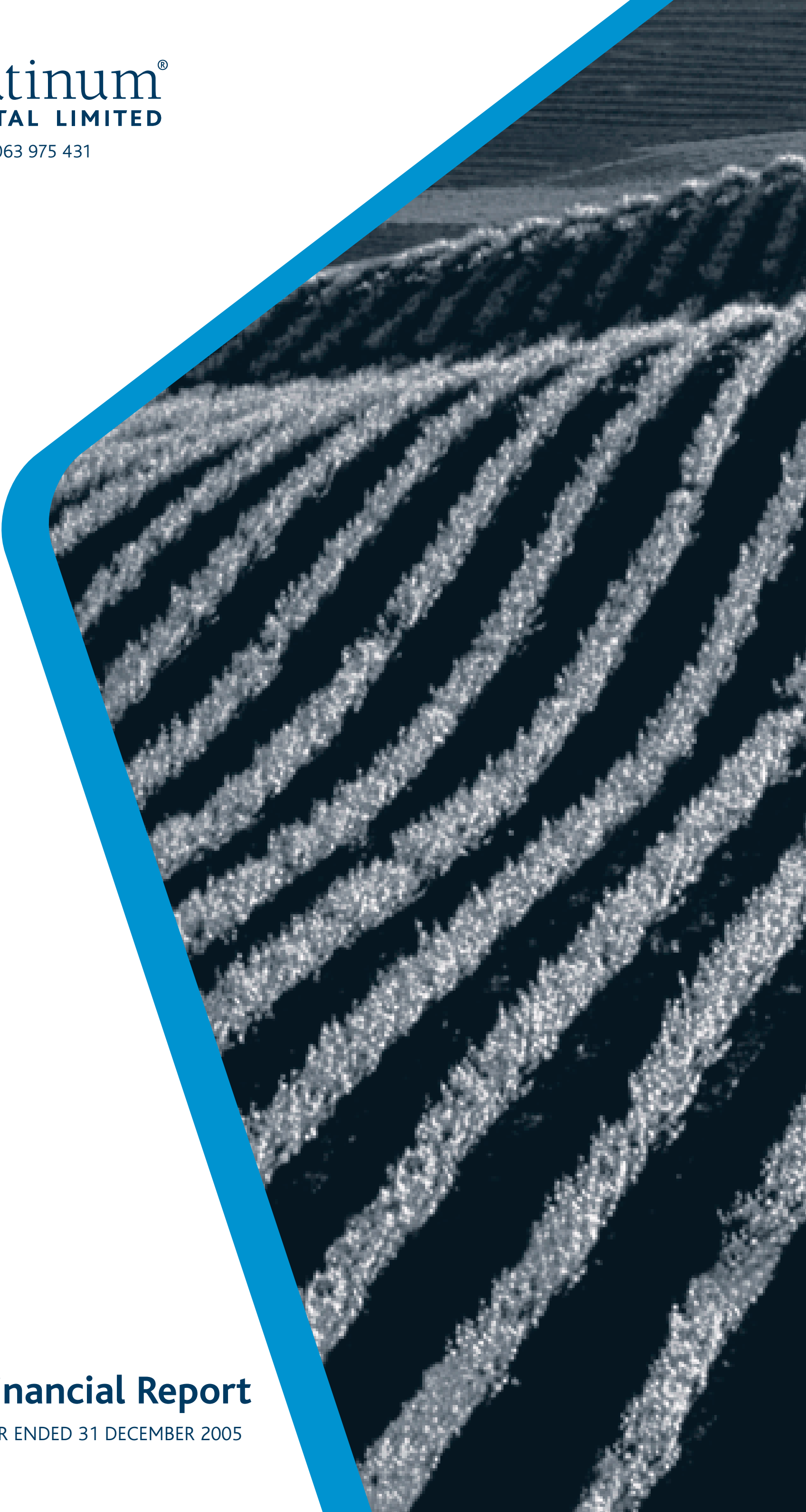
Platinum®
CAPITAL LIMITED

ABN 51 063 975 431



Interim Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

Contents

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2005 and any public announcements made by Platinum Capital Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

In respect of the half-year ended 31 December 2005, the Directors of Platinum Capital Limited (the Company) submit the following report made out in accordance with a resolution of the Directors.

Directors

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

Graeme Galt	(Chairman and Non-Executive Director)
Peter Clarke	(Non-Executive Director)
Bruce Coleman	(Non-Executive Director)
Kerr Neilson	(Managing Director)
Andrew Clifford	(Director)
Malcolm Halstead	(Director and Secretary)

Principal Activity

The principal activity of the Company during the period was the investment of funds internationally into securities of companies, which are perceived by the Investment Manager to be undervalued.

Review of Operations

Operating Result

The net profit before tax was $42,247,000 and the net profit after tax was $29,635,000 (2004: net profit of $2,727,000 before tax and a net profit of $1,375,000 after tax).

During the period the Company was required to adopt Australian Equivalents to International Financial Reporting Standards for the first time. If the Company had reported its current period financial results in accordance with the accounting standards applicable in 2004, the net profit before tax would have been $16,587,000 and the net profit after tax would have been $12,548,000.

Taxation

Income tax expense for the period was $12,612,000 (2004: $1,352,000).

Dividends

The Directors have determined to pay to Shareholders, registered on 17 February 2006 (record date), a fully franked interim dividend of 5 cents per share (2005: Interim 5 cents per share).

The decision to pay an unchanged dividend at the interim level is in accordance with the Directors' policy of smoothing payments over the years. The Company's ability to pay fully franked dividends is a function of the return earned on the portfolio over time.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial period, other than those disclosed in this report or the financial statements.

Likely Developments

The Company will continue to pursue its investment objective which is to increase the net asset value of the Company. The methods of operating the Company are not expected to change in the foreseeable future.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding Off of Amounts

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

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

Graeme Galt
Director

Malcolm Halstead
Director

Sydney
8 February 2006

Auditors' Independence Declaration

As lead auditor for the review of Platinum Capital Limited for the half-year ended 31 December 2005, 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 Capital Limited during the half-year.

AJ Loveridge
Partner
PricewaterhouseCoopers

Sydney
8 February 2006

Liability is limited by a Scheme approved under Professional Standards Legislation.

Income Statement

FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Notes	Half-year 31 Dec 2005 $'000	31 Dec 2004 $'000
Income from ordinary activities			
Dividends		825	762
Interest		179	91
Net gains/(losses) on securities/derivatives		44,474	3,042
Net gains/(losses) on currency hedging transactions		(1,433)	1,370
Net unrealised gains/(losses) on revaluation of monetary items		–	3,054
Net realised gains/(losses) on overseas bank accounts		619	(1,298)
Reversal of prior period's provision for permanent diminution in the value of investments		–	3,336
Provision for permanent diminution in the value of investments		–	(5,393)
Total income from ordinary activities		44,664	4,964
Expenses			
Management fee		1,526	1,467
Custody		112	102
Share registry		120	133
Continuous reporting disclosure		209	195
Directors' fees		84	84
Auditors' remuneration			
– Auditing and review ($56,950, 2004: $30,450)		57	30
– Taxation services ($33,723, 2004: $32,937)		34	33
– Advisory services ($3,388, 2004: $9,802)		3	10
Transaction costs		120	–
Withholding tax on foreign dividends		42	44
Other expenses		110	139
Total expenses		2,417	2,237
Profit/(loss) from ordinary activities before income tax		42,247	2,727
Income tax expense	2	12,612	1,352
Profit/(loss) from ordinary activities after income tax		29,635	1,375
Basic earnings per share (cents per share)	4	24.85	1.18
Diluted earnings per share (cents per share)	4	24.85	1.18

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

Balance Sheet

AS AT 31 DECEMBER 2005

	Notes	31 Dec 2005 $'000	30 Jun 2005 $'000
Financial assets	7	**222,560**	175,259
Current assets			
Cash at bank		**371**	247
Receivables		**944**	689
Deferred tax assets		**65**	131
Total current assets		**1,380**	1,067
Total assets		**223,940**	176,326
Current liabilities			
Payables		**2,472**	778
Income tax payable		**4,155**	1,722
Deferred tax liabilities		**10,468**	422
Total current liabilities		**17,095**	2,922
Net assets		**206,845**	173,404
Equity			
Contributed equity		**135,795**	132,253
Retained profits		**71,050**	41,151
Total equity		**206,845**	173,404

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

Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Notes	Half-year 31 Dec 2005 $'000	 31 Dec 2004 $'000
Total equity at the beginning of the half-year		173,404	180,415
Adjustment on adoption of AASB 132 and AASB 139 net of tax to retained profits		12,146	–
Net income recognised directly in equity		12,146	–
Profit for the half-year		29,635	1,375
Total recognised income and expense for the half-year		41,781	1,375
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transactions costs	3	3,542	3,591
Dividends paid	6	(11,882)	(11,626)
		(8,340)	(8,035)
Total equity at the end of the half-year		206,845	173,755

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

Cash Flow Statement

FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Notes	Half-year 31 Dec 2005 $'000 Inflows (Outflows)	31 Dec 2004 $'000 Inflows (Outflows)
Cash flows from operating activities			
Dividends received		840	814
Interest received		183	93
Cost of purchases of financial assets		(70,025)	(49,613)
Proceeds from sale of financial assets		80,231	46,261
Management fee paid		(1,498)	(1,797)
Other expenses		(826)	(653)
Income tax (paid)/received		(2,463)	201
Net cash from operating activities		6,442	(4,694)
Cash flows from financing activities			
Dividends paid		(11,778)	(11,541)
Proceeds from issue of shares	3	3,542	3,591
Net cash from financing activities		(8,236)	(7,950)
Net decrease in cash held		(1,794)	(12,644)
Cash held at the beginning of the half-year		15,667	28,537
Effects of exchange rate changes on cash		619	2
Cash held at the end of the half-year		14,492	15,895

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

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1. Summary of Significant Accounting Policies

This general purpose financial report for the interim half-year reporting period ended 31 December 2005 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 2005 and any public announcements made in respect of Platinum Capital Limited during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

(a) Basis of preparation of the half-year financial report

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Application of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards (AIFRS)

This is the first financial report for the Company to be prepared in accordance with AIFRS. AASB 1: *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied in preparing this financial report.

The financial reports of the Company until 30 June 2005 had been prepared in accordance with the previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the Company's 31 December 2005 financial report management has amended certain accounting valuation methods applied in the previous AGAAP financial report to comply with AIFRS. The Company has taken the exemption available under AASB 1 to only apply AASB 132: *Financial Instruments: Disclosure and Presentation* and AASB 139: *Financial Instruments: Recognition and Measurement* from 1 July 2005. When the 30 June 2006 annual report is prepared the exemptions available in accordance with AASB 1 will be adopted. As a result, the comparable balances will be in accordance with the previous AGAAP for financial assets. There are no other changes as a result of adopting AIFRS.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS on the Company's equity and net income are given in note 12.

1. Summary of Significant Accounting Policies (continued)

(b) Income tax

From 1 July 2004 to 30 June 2005

Deferred tax balances were determined using the Income Statement method. Items were only tax-effected if they were included in the determination of pre-tax accounting profit or loss and/or taxable income or loss.

From 1 July 2005

Under AASB 112: *Income Taxes*, deferred tax balances will be determined using the Balance Sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the Balance Sheet and their associated tax bases. Deferred tax assets are recognised for deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.

(c) Valuation of financial assets held for trading

From 1 July 2004 to 30 June 2005

The Company had taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 July 2005. The Company had applied AIFRS with the available exemptions to the comparative information on financial assets within the scope of AASB 132 and AASB 139. For further information on previous AGAAP refer to note 12 and the annual report for the year ended 30 June 2005.

Investments and other derivatives under AGAAP were valued at historical cost unless it had been determined that there had been a permanent diminution in the value of an investment in which case, the carrying amount was written down to net market value or "last sale" price with an allowance for transaction costs. Transaction costs were included in the gain or loss on sale of trading securities. Investments in monetary items and currency hedges were stated at net market value or "last sale" price with an allowance for transaction costs.

Adjustments on transition date: 1 July 2005

The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 is that investments will be measured at fair value. Fair value is exclusive of transaction costs. Changes in fair value are taken to the Income Statement. At the date of transition (1 July 2005) changes to carrying amounts are taken to retained profits.

(c) Valuation of financial assets held for trading (continued)

From 1 July 2005

Under AASB 139 investments will be classified in the Balance Sheet as "financial assets held 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 values are based on quoted "bid" prices on long securities and quoted "ask" prices on securities sold short. 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 should be expensed as incurred in the Income Statement.

(e) Foreign exchange translation

The functional and presentation currency of the Company as determined in accordance with AASB 121: *The Effects of Changes in Foreign Exchange Rates* will be the Australian dollar because this is the currency that reflects the economic substance of the underlying events and is the currency of the primary economic environments to which the Company is exposed. The financial report will continue to be presented in Australian dollars (the "presentation currency"). Since the measurement and presentation currency are both Australian dollars there will be no impact on net assets attributable to shareholders.

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 balance date. Resulting exchange differences are bought to account in determining profit and loss for the period.

(f) Investment income

Interest income

From 1 July 2004 to 30 June 2005

Interest income was recognised on an accruals basis.

From 1 July 2005

Interest income is recognised in the Income Statement using the effective interest method.

Dividend income

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

1. Summary of Significant Accounting Policies (continued)

(g) Directors' entitlements

Liabilities for Directors' entitlements to fees are accrued at nominal amounts calculated on the basis of current fees rates.

Contributions to Directors' superannuation plans are charged as an expense as the contributions are paid or become payable.

(h) Earnings per share

Basic and diluted earnings per share is determined by dividing the operating profit after income tax by the weighted number of Ordinary shares outstanding during the period.

(i) Receivables

From 1 July 2004 to 30 June 2005

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 some doubt as to collection exists.

From 1 July 2005

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 and trade creditors are recognised as and when they are incurred.

(k) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the period but not distributed at balance date.

	Half-year	
	31 Dec 2005	31 Dec 2004
	$'000	$'000

2. Income Tax

The aggregate amount of income tax attributable to the period differs from the prima facie amount payable on the operating profit/(loss). The difference is reconciled as follows:		
Prima facie income tax on operating profit/(loss) at 30%	**12,674**	818
Tax effect of permanent differences which:		
Reduce tax payable:		
Allowable credits	**(70)**	(69)
Unrecognised Deferred tax asset now deductible	**–**	(1,000)
Increase tax payable:		
Deferred tax assets not recognised	**–**	1,618
Under/(Over) provision of previous period tax	**8**	(15)
	12,612	1,352
The income tax (benefit)/expense attributable to operating profit/(loss) comprises:		
Current income tax provision	**4,890**	551
Deferred tax liability	**7,711**	246
Deferred tax asset	**3**	570
Under/(Over) provision of previous period tax	**8**	(15)
	12,612	1,352

Deferred tax balances

In accordance with AASB 112: *Income Taxes*, deferred liabilities of $8,237,827 have been recognised as a result of the revaluation of investments of $27,459,425.

Comparative balances at 31 December 2004 reflect previous AGAAP. Potential future income tax benefits of $1,617,928 arising from the permanent diminution provision in the value of investments of $5,393,092 were not brought to account at balance date as the Directors did not believe it was appropriate to regard realisation of the future income tax benefit as virtually certain.

	Half-year 31 Dec 2005 $'000	Half-year 31 Dec 2004 $'000
3. Equity Issued		
Ordinary shares under the Dividend Reinvestment Plan	**3,542**	3,591

Shares are issued under the Dividend Reinvestment Plan at a 5% discount to the market price.

	Half-year 31 Dec 2005	Half-year 31 Dec 2004
4. Earnings per Share		
Basic earnings per share – cents per share	**24.85**	1.18
Diluted earnings per share – cents per share	**24.85**	1.18
Weighted average number of Ordinary shares on issue used in the calculation of basic and diluted earnings per share	**119,263,102**	116,707,728
	$'000	$'000
Earnings used in the calculation of basic and diluted earnings per share	**29,635**	1,375

There have been no conversions to, calls of, or subscriptions for Ordinary shares other than those issued under the Dividend Reinvestment Plan, or issues of potential Ordinary shares during the period.

As there are no potential Ordinary shares, diluted earnings per share equals basic earnings per share.

	31 Dec 2005 $'000	30 June 2005 $'000

5. Statement of Net Asset Value

Reconciling Net Asset Value in accordance with AIFRS to that reported to the ASX*		
Net Asset Value per Balance Sheet	206,845	173,404
Add:		
Revaluation of financial assets	–	15,898
Difference between "bid" price under AIFRS and "last sale" price	763	–
Less:		
Deferred income tax on unrealised (gain)/loss on financial assets	(229)	(2,804)
Net Asset Value	207,379	186,498
Net Asset Value – cents per share	171.89	156.95

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

	Half-year 31 Dec 2005 cps	Half-year 31 Dec 2005 $'000	Half-year 31 Dec 2004 cps	Half-year 31 Dec 2004 $'000

6. Dividends

Paid – Final fully franked at 30%	10.00	11,882	10.00	11,626

Since the period end, the Directors have determined to pay a fully franked interim dividend of 5 cents per fully paid Ordinary share. This dividend has not been provided for as at 31 December 2005.

	31 Dec 2005 $'000 Fair Value	30 Jun 2005 $'000 Net Fair Value	30 Jun 2005 $'000 Cost/Carrying Value
7. Financial Assets			
Listed and non-listed securities	210,024	175,946	166,599
Less: Securities written down to net fair value	–	–	(6,551)
	210,024	175,946	160,048
Currency hedges	(1,585)	(209)	(209)
Cash on deposit	14,121	15,420	15,420
Total Investment Portfolio	222,560	191,157	175,259

The Company has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 July 2005. The Company has applied previous AGAAP to the comparative information on investments within the scope of AASB 132 and AASB 139. The fair value of investments are measured at "bid" price for long listed securities and "ask" price for short sold listed securities excluding transaction costs.

As at 30 June 2005, under previous AGAAP the net fair values of some investments were lower than cost. The carrying value of listed securities was net of a write down for a permanent diminution in their value of $6,551,189.

8. Investment Manager

The Investment Manager is Platinum Asset Management®. It receives a monthly management fee for investment services provided in accordance with the Investment Management Agreement. This agreement provides for a management fee payable monthly and calculated at 1.5% per annum of the Portfolio Value.

A Performance fee is payable at 10% of the amount by which the Portfolio's annual performance exceeds the return achieved by the MSCI plus 5% (MSCI is the Morgan Stanley Capital International All Country World Net Index in A$). Where the Portfolio's annual performance is less than the MSCI, the amount of the underperformance is aggregated, carried forward and deducted from the annual performance in the subsequent year before calculating any Performance fee for that year. The aggregate of underperformance is carried forward until a Performance fee becomes payable.

8. Investment Manager (continued)

At 31 December 2005, the half-year pre-tax performance of the Portfolio was 17.67% and the corresponding MSCI was 15.56%. This represents an outperformance of 2.11% against the MSCI. This does not represent an outperformance after the 5% MSCI hurdle. Accordingly, a Performance fee has not been accrued.

The Investment Manager is to be paid a lump sum termination fee of 1.5%, calculated on the value of the Portfolio on the first day of the month in which termination is effective. The fee is not payable if the termination results from the default or insolvency of the Investment Manager. Additionally, a Performance fee is payable for the period from the last calculation of the Performance fee (as described above) to the date of termination.

	Half-year	
	31 Dec 2005	31 Dec 2004
	$'000	$'000
Management fee	**1,526**	1,467
Performance fee	**–**	–
Amounts paid and payable to the Investment Manager for the period	**1,526**	1,467

9. Contingent Liabilities and Commitments for Expenditure

No contingent liabilities exist at balance date.

The Company has no commitments for uncalled share capital on investments.

10. Segment Information

	Half-year		Half-year	
	31 Dec 2005 $'000 Revenue	31 Dec 2005 $'000 Result	31 Dec 2004 $'000 Revenue	31 Dec 2004 $'000 Result
Japan	22,149	22,083	1,560	1,544
Other Asia	9,771	9,732	2,503	2,484
Australia	(285)	(285)	21	21
Europe – Euro	4,652	4,639	1,752	1,752
Europe – Other	1,521	1,531	1,792	1,792
North America	5,984	5,930	(7,544)	(7,553)
South America	31	31	(40)	(40)
Africa	841	841	496	496
Unallocated Revenue – net gains/(losses) on currency hedging transactions (realised and unrealised)	–	–	4,424	4,424
Unallocated Expenses	–	(2,255)	–	(2,193)
Total	44,664	42,247	4,964	2,727

11. Events Occurring After Balance Sheet Date

No significant events have occurred since balance date which would impact the Balance Sheet of the Company as at 31 December 2005 and the results for the half-year ended on that date.

12. Explanation of Transition to Australian Equivalents to International Financial Reporting Standards (AIFRS)

(a) Reconciliation of profit under previous AGAAP to profit under AIFRS

(i) Reconciliation of profit for half-year ended 31 December 2004 and year ended 30 June 2005

The Company has taken the exemptions available under AASB 1 to only apply AASB 132 and AASB 139 from 1 July 2005.

As a result the comparable balances under AIFRS are not different from previous AGAAP.

(ii) Reconciliation of profit for the year ended 30 June 2005

If the exemptions available under AASB 1 were not applied then the adjustments to the Income Statement would be as follows:

	30 Jun 2005 Previous AGAAP $'000	Effect of Change $'000	30 Jun 2005 AIFRS $'000
Total revenue from ordinary activities	12,491	(11,368)	1,123
Expenses			
Operating expenses (including transaction costs)	4,380	176	4,556
Total expenses	4,380	176	4,556
Profit/(loss) from ordinary activities before related income tax expense	8,111	(11,544)	(3,433)
Income tax (benefit)/expense	3,028	(4,427)	(1,399)
Profit/(loss) from ordinary activities after related income tax expense	5,083	(7,117)	(2,034)

(b) Reconciliation of equity reported under previous AGAAP to equity under AIFRS

(i) At the date of transition to AIFRS: 1 July 2004 and 31 December 2004

The Company has taken the exemptions available under AASB 1 to only apply AASB 132 and AASB 139 from 1 July 2005.

As a result the comparable balances under AIFRS are not different from previous AGAAP.

12. Explanation of Transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) (continued)

(ii) Reconciliation of equity reported under previous AGAAP to equity under AIFRS: 30 June 2005

If the exemptions available under AASB 1 were not applied then the adjustments to the Balance Sheet would be as follows:

	30 Jun 2005 Previous AGAAP $'000	Effect of Change $'000	30 Jun 2005 AIFRS $'000
Financial assets	175,259	14,543	189,802
Current assets			
Other	936	1	937
Deferred tax assets	131	(63)	68
Total current assets	1,067	(62)	1,005
Total assets	176,326	14,481	190,807
Current liabilities			
Other	2,500	–	2,500
Deferred tax liabilities	422	2,335	2,757
Total current liabilities	2,922	2,335	5,257
Net assets	173,404	12,146	185,550
Total equity	173,404	12,146	185,550

(c) Reconciliation of cash flow statement for the year 30 June 2005

The adoption of AIFRS has not resulted in any material adjustments to the cash flow statements.

(d) Application of AASB 1 first-time adoption of AIFRS

Under AASB 1, the Directors of the Company elected not to apply the requirements of AASB 132 and AASB 139 in the first comparative year under AIFRS.

Under this election, first-time adoption of these standards has been delayed until 1 July 2005. The reconciliations disclose material adjustments to the Income Statement and Balance Sheet if the exemptions available under AASB 1 had not been applied.

Details of the adjustments above relating to the transition to AIFRS are disclosed in the annual report for the year ended 30 June 2005.

Directors' Declaration

In the Directors' opinion,

(a) the financial statements and notes set out on pages 5 to 20 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 Company's financial position as at 31 December 2005 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date;

(b) there are reasonable grounds to believe that Platinum Capital Limited 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.

Graeme Galt
Director

Malcolm Halstead
Director

Sydney
8 February 2006

Independent Review Report

TO THE MEMBERS OF PLATINUM CAPITAL LIMITED

Matters Relating to the Electronic Presentation of the Reviewed Financial Report

This review report relates to the financial report of Platinum Capital Limited (the Company) for the half-year ended 31 December 2005 included on Platinum's website. The Directors of Platinum Asset Management, the Manager, are responsible for the integrity of the website. We have not been engaged to report on the integrity of this website. The review report refers only to the financial report identified below. 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 reviewed financial report to confirm the information included in the reviewed financial report presented on the website.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Platinum Capital Limited:

- does not give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Platinum Capital Limited as at 31 December 2005 and of its performance for the half-year ended on that date; and
- is not presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This statement must be read in conjunction with the rest of our review report.

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Platinum Capital Limited, for the half-year ended 31 December 2005.

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for accounting policies and estimates inherent in the financial report.

Independent Review Report

TO THE MEMBERS OF PLATINUM CAPITAL LIMITED

Review approach

We conducted an independent review in order for Platinum Capital Limited to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. For further explanation of a review, visit our website http://www.pwc.com/au/financialstatementaudit.

We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

– enquiries of company personnel; and

– analytical procedures applied to financial data.

Our procedures include reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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

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

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

A J Loveridge

AJ Loveridge
Partner

Sydney
8 February 2006

Directory

Directors
Graeme Galt
Peter Clarke
Bruce Coleman
Kerr Neilson
Andrew Clifford
Malcolm Halstead

Secretary
Malcolm Halstead

Investment Manager
Platinum Asset Management®

Shareholder Liaison
Liz Norman

Registered Office
Level 4, 55 Harrington Street
Sydney NSW 2000
Phone 1300 726 700 and (61 2) 9255 7500
0800 700 726 (New Zealand only)

Share Registrar
Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney NSW 2000
Phone 1300 855 080 and (61 3) 9415 4000

Auditors and Taxation Advisers
PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

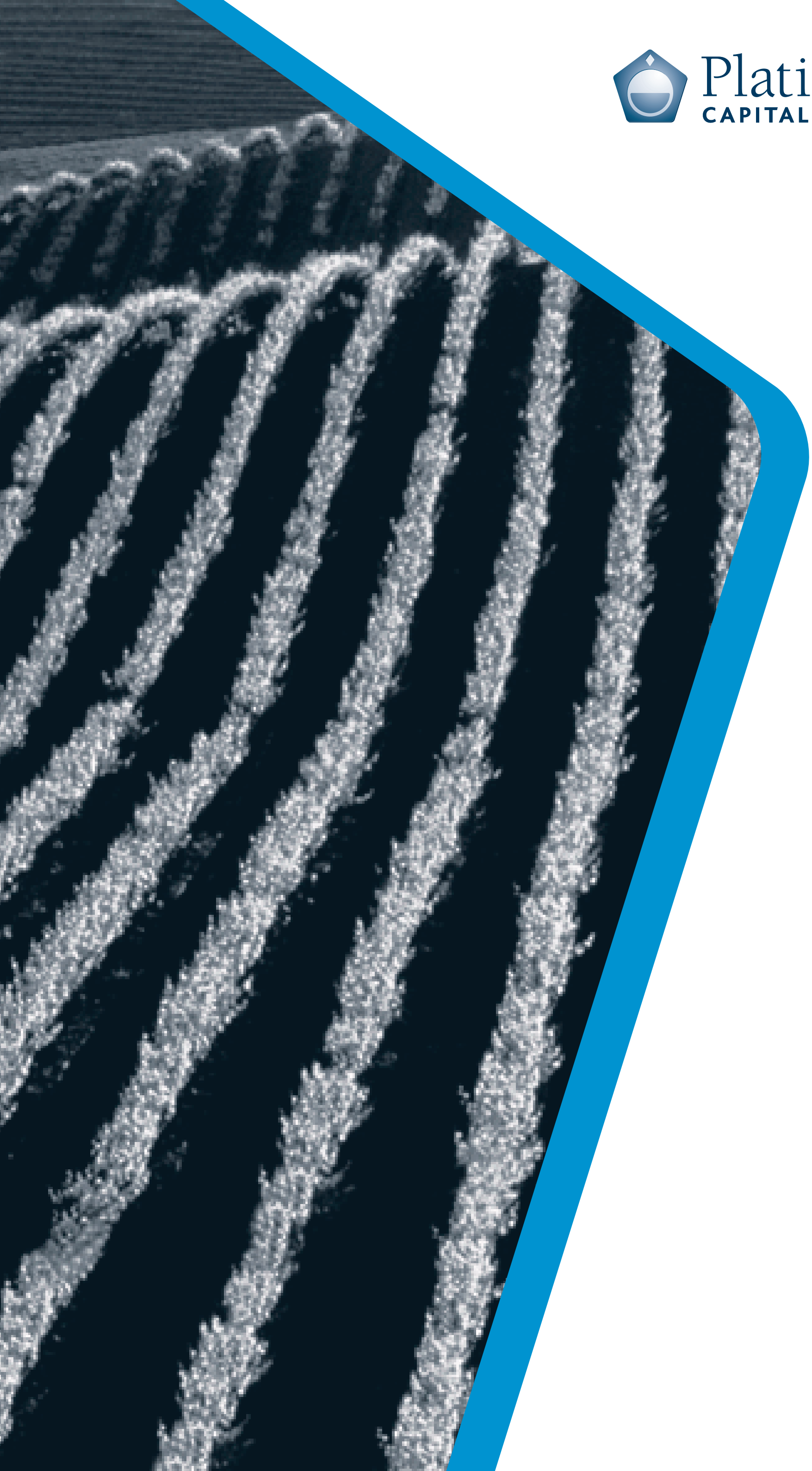
Solicitors
Allens Arthur Robinson
2 Chifley Square
Sydney NSW 2000

Stock Exchange Listing
Ordinary Shares listed on the Australian Stock Exchange Limited

Ordinary Shares ASX Code: PMC

Website
http://www.platinumcapital.com.au

Platinum Asset Management does not guarantee the repayment of capital or the investment performance of the Company.



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