PLATINUM CAPITAL® LIMITED
ABN 51 063 975 431

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

PLATINUM CAPITAL LIMITED

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

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The interim financial report was authorised for issue on 13 February 2014 by the Company's Directors, who have the power to amend and re-issue the interim financial report.

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 2013 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* .

PLATINUM CAPITAL LIMITED

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

DIRECTORS' REPORT

The Directors present their report on Platinum Capital Limited for the half year ended 31 December 2013.

Directors

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

Bruce Phillips	(Chairman and Non-Executive Director)
Bruce Coleman	(Non-Executive Director)
Richard Morath	(Non-Executive Director)
Kerr Neilson	(Managing Director)
Andrew Clifford	(Executive Director)
Philip Howard	(Executive Director and Company Secretary)

Review of Operations

Operating Result

The net profit before tax was $49,394,000 and the net profit after tax was $34,687,000 (2012: net profit of $22,106,000 before tax and a net profit of $21,574,000 after tax).

Taxation

Income tax expense for the period was $14,707,000 (2012: income tax expense of $532,000).

Dividends

The Directors have determined to pay to Shareholders, registered on 24 February 2014 (record date), a fully franked interim dividend of 3 cents per share (31 December 2012 dividend: 2 cents per share). The amount of the interim dividend payable on 10 March 2014, but not recognised as a liability as at 31 December 2013, is $6,912,000 (31 December 2012: $3,305,000).

Capital Raising

On 11 November 2013, the Company announced a two-part capital raising comprising a placement (***Placement***) of shares to sophisticated and professional investors and 1:5 pro-rata non-renounceable rights offer (***Rights Offer***) to eligible shareholders. The purpose of the capital raising was to allow the Company to take advantage of a number of interesting global investment opportunities.

Under the Placement, 25,044,183 additional shares were issued and under the Rights Offer 38,401,081 additional shares were issued. Together, the two-part capital raising raised gross proceeds of $98,340,159 through the issue of 63,445,264 additional shares and this increased issued share capital by 38%. Shareholders that received shares pursuant to the two-part capital-raising will be entitled to the interim dividend payable on 10 March 2014.

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.

Rounding of Amounts

The Company 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.

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

Bruce Phillips
Chairman

Kerr Neilson
Director

Sydney
13 February 2014

Auditor's Independence Declaration

As lead auditor for the review of Platinum Capital Limited for the half-year ended 31 December 2013, 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.

Joe Sheeran	Sydney
Partner	13 February 2014
PricewaterhouseCoopers	

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Statement of Comprehensive Income
For the Half-Year Ended 31 December 2013

	Note	Half-Year 31 Dec 2013 $'000	31 Dec 2012 $'000
Investment income			
Dividends		1,576	1,199
Interest		82	1
Net gains on equities/derivatives		48,691	20,168
Net gains on forward currency contracts		2,433	2,980
Net foreign exchange (losses) on overseas bank accounts		(92)	(158)
Total investment income		52,690	24,190
Expenses			
Management fee	9	2,060	1,390
Custody		125	76
Non-capitalised capital raising fees and charges	4(f)	122	-
Share registry		155	64
Continuous reporting disclosure		113	100
Directors' fees		84	84
Auditor's remuneration			
- Auditing and review ($71,123, 2012: $64,975)		71	65
- Taxation services ($36,932, 2012: $28,547)		37	29
Transaction costs		285	89
Withholding tax on foreign dividends		167	102
Other expenses		77	85
Total expenses		3,296	2,084
Profit before income tax		49,394	22,106
Income tax expense		14,707	532
Profit after income tax		34,687	21,574
Other comprehensive income		-	-
Total comprehensive income for the half-year		34,687	21,574
Basic earnings per share (cents per share)	5	19.79	13.05
Diluted earnings per share (cents per share)	5	19.79	13.05

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

Balance Sheet

As at 31 December 2013

	Note	31 Dec 2013 $'000	30 June 2013 $'000
Assets			
Cash and cash equivalents		45,627	19,189
Financial assets at fair value through profit or loss	3	346,207	232,056
Receivables		435	598
Total assets		392,269	251,843
Liabilities			
Payables		2,103	1,550
Financial liabilities at fair value through profit or loss	3	1,385	835
Current tax payable		4,749	660
Net deferred tax liabilities	2	23,481	13,856
Total liabilities		31,718	16,901
Net assets		**360,551**	**234,942**
Equity			
Contributed equity		296,079	196,864
Retained profits		64,472	38,078
Total equity		**360,551**	**234,942**

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

Statement of Changes in Equity
For the Half-Year Ended 31 December 2013

	Note	Contributed Equity $'000	Retained Profits $'000	Total $'000
Balance at 1 July 2012		**196,536**	**(17,419)**	**179,117**
Total comprehensive income for the half-year		-	21,574	21,574
Transactions with equity holders in their capacity as equity owners:				
Buy-back of shares under the capital management programme	4	(369)	-	(369)
Balance at 31 December 2012		**196,167**	**4,155**	**200,322**
Balance at 1 July 2013		**196,864**	**38,078**	**234,942**
Total comprehensive income for the half-year		-	34,687	34,687
Transactions with equity holders in their capacity as equity owners:				
Issue of shares in relation to the dividend re-investment plan and unclaimed dividends	4	1,652	-	1,652
Issue of shares in relation to the Placement and Rights Offer	4	98,340	-	98,340
Transaction costs on the Placement and Rights Offer, net of tax	4	(777)	-	(777)
Dividends paid	7	-	(8,293)	(8,293)
Balance at 31 December 2013		**296,079**	**64,472**	**360,551**

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

Statement of Cash Flows

For the Half-Year Ended 31 December 2013

	Note	Half-Year 31 Dec 2013 $'000	31 Dec 2012 $'000
Cash flows from operating activities			
Payments for purchases of financial assets		(150,841)	(37,608)
Proceeds from sale of financial assets		87,664	38,031
Dividends received		1,610	1,184
Interest received		24	1
Management fees paid		(1,961)	(1,363)
Other expenses		(1,084)	(762)
Income tax paid		(660)	-
Net cash from operating activities		(65,248)	(517)
Cash flows from financing activities			
Dividends paid		(8,268)	-
Purchase of shares under the share buy-back programme	4	-	(369)
Proceeds from issue of shares in relation to the dividend re-investment plan and unclaimed dividends	4	1,652	-
Net proceeds from the issue of shares in relation to the Placement and Rights Offer	4	97,212	-
Net cash from financing activities		90,596	(369)
Net increase/(decrease) in cash and cash equivalents		25,348	(886)
Cash and cash equivalents held at the beginning of the half-year		19,189	19,642
Effects of exchange rate changes on cash and cash equivalents		1,090	(4,311)
Cash and cash equivalents held at the end of the half-year		45,627	14,445

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

1. Summary Of Significant Accounting Policies

This general purpose financial report for the half-year reporting period ended 31 December 2013 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting,* other mandatory professional reporting requirements and the *Corporations Act 2001* . Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting.*

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 2013 and any public announcements made in respect of Platinum Capital Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* .

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated. Comparative information has been reclassified, where appropriate, to enhance comparability. The one major accounting policy change relates to fair value measurement and was caused by the adoption of a new accounting standard. This is detailed below.

a) Fair Value Measurement

The Company has applied *AASB 13: Fair Value Measurement* from 1 July 2013. This is a new standard and is mandatory for reporting periods beginning on or after 1 January 2013. The standard is to be applied prospectively and hence the disclosure requirements do not need to be applied to comparative information for periods before initial application.

AASB 13 defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. The new standard also increases transparency about fair value measurements, including the valuations techniques and inputs used to measure fair value.

For the Company, the key impact of the new standard is the removal of the requirement to use bid and ask prices for actively-quoted financial assets and liabilities. Instead, the most representative price within the bid-ask spread should be used. With respect to the Company, the last-sale or “last” price is the most representative price within the bid-ask spread, because it represents the price that a security last changed hands from seller to buyer.

For the 31 December 2013 reporting period, the Company has decided to apply last-sale pricing as the fair value measurement basis for equities and derivatives held. This is consistent with how these investments are priced for monthly ASX reporting of Net Asset Value (NAV).

AASB 13 also requires reporting entities to disclose its valuation techniques and inputs, at each reporting period, including interim reporting periods.

Fair value in an active market
The fair value of financial assets and liabilities traded in active markets uses quoted market prices at reporting date without any deduction for estimated future selling costs. Equity securities, equity swaps and futures are valued at “last-sale” price. Gains and losses arising from changes in the fair value of the financial assets/liabilities are included in the Statement of Comprehensive Income in the period they arise.

Forward currency contracts are categorised as “financial assets/liabilities held for trading” and are initially recognised at fair value on the date the contracts are entered into and are subsequently re-measured at each reporting date. The fair value at reporting date is the unrealised profit or loss on the foreign currency position (in Australian dollars).

Fair value in an inactive or unquoted market
The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm’s length market transactions, discounted cash flow techniques or any other valuation techniques that provides a reliable estimate of prices obtained in actual market transactions. Options are valued with reference to the quoted price of the underlying index or share. If there is no liquid market available, the options are valued based on option prices provided by an arm’s length broker. These valuations are based on option pricing models.

b) New Accounting Standards and Interpretations Not Yet Mandatory for the 31 December 2013 Reporting Period

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2013 reporting period. The accounting standards of relevance to the Company are summarised below, together with the Company's assessment of their impact.

(i) Revised AASB 9: *Financial Instruments (addressing accounting for financial liabilities and the derecognition of financial assets and financial liabilities),* AASB 2010-7: *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) and AASB 2012-6: *Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures* (effective for annual reporting periods beginning on or after 1 January 2015).

The revised standard defers the operative date of *AASB 9: Financial Instruments* from 1 January 2013 to 1 January 2015. AASB 9 provides guidance on the classification and measurement of financial assets and this standard was assessed at 30 June 2012 as not having a significant impact on the Company.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2013 (continued)

b) New Accounting Standards and Interpretations Not Yet Mandatory for the 31 December 2013 Reporting Period (continued)

(ii) *Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32: Financial Instruments: Presentation)* (effective for annual reporting periods beginning on or after 1 July 2014).

These amendments clarify some of the requirements for offsetting financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has legally enforceable right to set off" and also clarifies the application of IAS 32 offsetting criteria to settlement systems. This standard would not have a significant impact on the disclosures contained in the financial report. The Company will apply the standard from 1 July 2014.

There are no other standards that are not yet effective, that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2. Recognition of Deferred Tax Balances

In line with our existing accounting policy, the Company has exercised judgement in determining the extent of recognition of deferred tax balances. Due to the strong performance over the period, the Company has accumulated net unrealised gains on investments of $74,777,000 as at 31 December 2013 (30 June 2013: $41,139,000) which formed a major part of the overall net deferred tax liability of $23,481,000 (30 June 2013: $13,856,000).

	31 Dec 2013 $'000	30 June 2013 $'000
3. Financial Assets and Liabilities at Fair Value through Profit or Loss		
Financial Assets		
Equity securities	344,318	230,337
Derivatives	992	360
Foreign currency contracts	897	1,359
Financial assets	346,207	232,056
Financial Liabilities		
Derivatives	1,262	280
Foreign currency contracts	123	555
Financial liabilities	1,385	835
Total of Financial assets less liabilities	344,822	231,221

For 31 December 2013, all equity securities and derivatives are valued using the last-sale price. For 30 June 2013, all equity securities and derivatives were valued using bid/ask pricing.

The change in the valuation basis is based on the adoption of a new accounting standard AASB 13: *Fair Value Measurement* . See Note 1(a) for further details.

			Half-Year		Half-Year	
			31 Dec 2013 Quantity	31 Dec 2013 $'000	31 Dec 2012 Quantity	31 Dec 2012 $'000
4. Contributed Equity						
Buy-back of shares	(a)	8-Aug-12 to 6-Sep-12	-	-	(385,748)	(369)
Dividend reinvestment plan	(b)	9-Sep-13	1,082,010	1,623	-	-
Reinvestment of unclaimed dividends	(c)	16-Sep-13	18,940	29	-	-
Placement of shares	(d)	18-Nov-13	25,044,183	38,818	-	-
Shares issued under the Rights Offer	(e)	19-Dec-13	38,401,081	59,522	-	-
Less transaction costs on the Placement and Rights Offer, net of tax	(f)		-	(777)	-	-
Issue of Ordinary Shares during the half-year			64,546,214	99,215	(385,748)	(369)

4. Contributed Equity (continued)

(a) The Company implemented an on-market share buy-back programme between 2 April 2012 and 28 March 2013. For the 31 December 2012 interim reporting period, 385,748 shares were bought-back. Between 2 April 2012 and 28 March 2013, 506,675 shares were bought-back and this represented 0.31% of issued share capital.

(b) Shares are issued under the Dividend Reinvestment Plan at a 2.5% discount to the market price.

(c) For reinvestment of unclaimed dividends, additional shares are issued at the last-sale price of the Company's shares on the first business day following the expiration six months from the date of payment of the relevant dividend.

(d) On 11 November 2013, the Company announced a successful Placement of 25,044,183 fully-paid ordinary shares to sophisticated and professional investors at $1.55 per share and raised gross proceeds of $38,818,483.

(e) On 11 November 2013, the Company announced a 1:5 pro-rata non-renounceable Rights Offer. On 19 December 2013, 38,401,081 shares were issued at $1.55 per share and raised gross proceeds of $59,521,676.

In total, 63,445,264 new shares were issued under Placement and Rights Offer and this increased issued share capital by 38%.

(f) Transaction costs on the Placement and Rights Offer

The Company incurred fees and charges associated with the two-part capital raising announced on 11 November 2013.
A breakdown of these fees and charges that have been deducted against equity are as follows:

	Half-Year	
	31 Dec 2013 $'000	**31 Dec 2012 $'000**
Management and placement fees associated with the capital raising*	912	-
Registry charges	166	-
Legal fees	32	-
	1,110	-
less current and future period tax deductions	(333)	-
	777	-

* Management and Placement fees associated with the Placement and Rights Offer Shortfall Facility were paid to the Sole Lead Manager, CBA Equities Limited (CBA Equities) and the Co-Managers, Bell Potter Securities Limited (Bell Potter) and Morgans Limited (Morgans) for allocating 25,044,183 shares under the Placement. A management and shortfall facility fee was paid to CBA Equities for allocating 7,985,849 shares under the Rights Offer Shortfall Facility.

Total gross proceeds raised pursuant to the Placement and Rights Offer were $98,340,000. In accordance with AASB 132, expenses that directly relate to the issue of equity have been deducted against equity. The nature and quantum of these costs are shown above and total $1,110,000 (or $777,000 after factoring in the current and future period tax deductions). Certain other expenses such as ASX Listing Fees and non-recoverable GST (total of $122,000) have been expensed in the Income Statement, in accordance with AASB 132.

In total, $1,128,000 of capital raising fees and charges were physically paid at 31 December 2013. The net cash proceeds raised (after expenses paid) of $97,212,000 appears in the Statement of Cash Flows.

Ordinary Shares
As at 31 December 2013, ordinary shares on issue totalled 230,406,487. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

5. Earnings Per Share

	Half-Year 31 Dec 2013	Half-Year 31 Dec 2012
Basic earnings per share - cents per share	19.79	13.05
Diluted earnings per share - cents per share	19.79	13.05
Weighted average number of Ordinary Shares on issue used in the calculation of basic and diluted earnings per share	175,243,614	165,374,434
	$'000	**$'000**
Earnings used in the calculation of basic and diluted earnings per share	34,687	21,574

There have been no conversions to, calls of, or subscriptions for Ordinary Shares during the current or previous period other than those issued under the Dividend Reinvestment Plan, reinvestment of unclaimed dividends, shares bought-back and shares issued pursuant to the Placement and Rights Offer, therefore diluted earnings per share equals basic earnings per share.

6. Statement of Net Asset Value

Reconciling Net Asset Value (Post-Tax) in accordance with Australian Accounting Standards to that reported to the ASX

	31 Dec 2013 $'000	30 June 2013 $'000
Net Asset Value per Balance Sheet	360,551	234,942
Add:		
Difference between bid price under Australian Accounting Standards and last sale price and/or realisation costs*	(866)	229
Additional accrual reflected in accounts	71	-
Less:		
Deferred income tax asset/(liability) on difference under Accounting Standards and last sale price and/or realisation costs	260	(69)
Net deferred income tax asset in respect of investments and accruals	1	27
Net Asset Value (post-tax)	360,017	235,129
Net Asset Value - dollars per share (post-tax)	1.5625	1.4176

* At 31 December 2013, financial assets and liabilities were valued at "last-sale" price for both ASX and financial accounts reporting. The immaterial difference at 31 December 2013 is mainly caused by the ASX requirement that realisation costs need to be deducted for ASX reporting of NAV.

7. Dividends paid (fully-franked)

	Half-year 31 Dec 2013 cps	Half-year 31 Dec 2013 $'000	Half-year 31 Dec 2012 cps	Half-year 31 Dec 2012 $'000
Paid - 9 September 2013	5.00	8,293	-	-
	5.00	8,293	-	-

Since the period end, the Directors have declared the payment of an interim dividend of 3 cents per fully paid ordinary share, fully-franked based on tax paid at 30%. The aggregate amount of the dividend to be paid on 10 March 2014, but not recognised as a liability at 31 December 2013 is $6,912,000 (31 December 2012: $3,305,000). Shares issued under the Placement and Rights Offer are entitled to participate in the interim dividend. The increased shares on issue along with the increased dividend rate explain why the overall dividend figure in dollar terms has increased.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2013 (continued)

8. Fair Value Measurement

AASB 13 *Fair Value Measurement* requires the Company to classify its assets and liabilities held at fair value using the following fair value hierarchy model (consistent with the hierarchy model applied to financial assets and liabilities at 30 June 2013):

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices) (level 2); and
(iii) inputs for the assets or liability that are not based on observable market data (unobservable inputs) (level 3).

The Company measures and recognises the following financial assets and liabilities at fair value, pursuant to AASB 13, on a recurring basis:

(i) Equity securities, long equity swaps and long futures;
(ii) Short equity swaps and short futures; and
(iii) Forward currency contracts.

The following table analyses within the fair value hierarchy model, the Company's assets and liabilities measured at fair value at 31 December 2013 and 30 June 2013. The Company has no assets or liabilities that are classified as Level 3.

31 Dec 2013	Level 1 $'000	Level 2 $'000	Total $'000
Financial Assets			
Equity securities	341,345	2,973	344,318
Derivatives	992	-	992
Foreign currency contracts	-	897	897
	342,337	3,870	346,207
Financial Liabilities			
Derivatives	964	298	1,262
Foreign currency contracts	-	123	123
	964	421	1,385
Total financial assets less liabilities measured at fair value	341,373	3,449	344,822

30 June 2013	Level 1 $'000	Level 2 $'000	Total $'000
Financial Assets			
Equity securities	229,072	1,265	230,337
Derivatives	340	20	360
Foreign currency contracts	-	1,359	1,359
	229,412	2,644	232,056
Financial Liabilities			
Derivatives	189	91	280
Foreign currency contracts	-	555	555
	189	646	835
Total financial assets less liabilities measured at fair value	229,223	1,998	231,221

All figures presented above can be reconciled to Note 3 and the Balance Sheet.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 for any assets or liabilities measured at fair value during the half-year.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2013 (continued)

8. Fair Value Measurement (continued)

Rationale for classification of assets and liabilities as level 1
Nearly all (99% at 31 December 2013) of the equity securities and derivatives held by the Company are valued using unadjusted quoted prices in active markets and are classified as Level 1 in the fair-value hierarchy model.

Rationale for classification of assets and liabilities as level 2
There are certain financial instruments that have been classified as level 2, because a degree of adjustment has been made to the quoted price i.e., whilst all significant inputs required for fair value measurement are observable and quoted in an active market, there is a degree of estimation involved in deriving the fair value. Examples include:

(i) foreign exchange contracts are classified as level 2 even though forward points are quoted in an active and liquid market. The forward points themselves are based on interest rate differentials;
(ii) certain P-Notes/warrants are classified as level 2 because they are generally traded over-the counter and are often priced in a different currency to the underlying security;
(iii) certain Over-The-Counter (OTC) derivatives/options: may be classified as level 2 because the price is sourced from the relevant counterparty, even though the price (and in the case of options, the relevant delta) can be verified directly from Bloomberg or verified using option pricing models; and
(iv) certain index derivatives are classified as level 2, because the Company may agree with the counterparty to include or exclude one or more securities that make up the “basket” of securities that comprise the index derivative. Hence, the quoted price of the index derivative would be very similar, but not identical to the index derivative that the Company held.

9. Investment Manager

The Investment Manager, Platinum Investment Management Limited, 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 (this includes cash and deposits).

A Performance fee is payable at 10%, if at 30 June 2014, 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.

At 31 December 2013, the half-year pre-tax performance of the portfolio was 19.01% and the corresponding MSCI was 18.47%. Even though there is an outperformance of 0.54% against the MSCI and 0.37% after the carry forward net underperformance amount of 0.17%, this does not represent an outperformance after 5% MSCI hurdle rate. 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 2013	**31 Dec 2012**
Fees paid and payable for the half-year are shown below:	**$'000**	**$'000**
Management fee	2,060	1,390
	2,060	1,390

10. Contingent Liabilities and Commitments for Expenditure

No contingent liabilities exist as at 31 December 2013. The Company has no commitments for uncalled share capital on investments.

11. Segment Information

The Company is organised into one main operating segment with only one key function, being the investment of funds internationally.

12. Events occurring after reporting date

Since the end of the half-year, the Directors have declared a fully-franked interim dividend of 3 cents per share payable on 10 March 2014.

No other matters have arisen since the end of the period that have significantly affected or may significantly affect the operations of the Company, the results of the operations, or the state of affairs of the Company in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion,

(a) the financial statements and notes set out on pages 5 to 15 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 2013 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.

Bruce Phillips
Chairman

Kerr Neilson
Director

Sydney
13 February 2014

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Platinum Capital Limited (the Company), which comprises the Balance Sheet as at 31 December 2013, 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.

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 internal 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 Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a 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 entity's financial position as at 31 December 2013 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 Capital 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*.

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 Capital Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date;

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

Joe Sheeran
Partner

Sydney
13 February 2014

DIRECTORY

Directors
Bruce Phillips
Bruce Coleman
Richard Morath
Kerr Neilson
Andrew Clifford
Philip Howard

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Philip Howard

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Securities Exchange Listing
Ordinary Shares listed on the Australian Securities Exchange
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Website
http://www.platinumcapital.com.au

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