

PLATINUM ASSET MANAGEMENT[®] LIMITED and Controlled Entities
ABN 13 050 064 287

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

PLATINUM ASSET MANAGEMENT® LIMITED and Controlled Entities

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The interim financial report was authorised for issue on 20 February 2014 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 2013 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 2013

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 2013.

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
Andrew Clifford	Executive Director and Chief Investment Officer
Elizabeth Norman	Executive Director and Director of Investor Services and Communications
Philip Howard	Finance Director and Company Secretary

Trading Results

The profit after tax of the consolidated entity for the half-year was \$105,064,000 (2012: \$62,426,000) after income tax expense of \$35,927,000 (2012: \$25,962,000).

Review of Operations

The consolidated profit before tax for the half-year was \$140,991,000 (2012: \$88,388,000).

FUM for the half-year ending 31 December 2013 is shown in the table below.

Fund	Opening balance at 1-Jul-13 (\$'million)	Flows (\$'million)	Investment performance (\$'million)	Closing balance at 31-Dec-13 (\$'million)
Platinum Trust Funds	13,170	164	2,284	15,618
MLC Platinum Global Fund	1,028	(86)	204	1,146
Management Fee Mandates	1,964	20	380	2,364
"Relative" Performance Fee Mandates	3,002	(188)	529	3,343
"Absolute" Performance Fee Mandates	600	(3)	118	715
Total	19,764	(93)	3,515	23,186

Dividends

The Directors have determined to pay a dividend of 14 cents per share, fully-franked (31 December 2012: 8 cents per share). The amount of the proposed dividend expected to be paid on 17 March 2014, but not recognised as a liability as at 31 December 2013, is \$81,016,000 (31 December 2012: \$44,908,000).

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 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

Andrew Clifford
Director

Sydney
20 February 2014



Auditor's Independence Declaration

As lead auditor for the review of Platinum Asset Management 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.

This declaration is in respect of Platinum Asset Management Limited and the entities it controlled during the period.

SJ Smith
Partner
PricewaterhouseCoopers

Sydney
20 February 2014

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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

	Note	Half-Year to 31-Dec-13 \$'000	Half-Year to 31-Dec-12 \$'000
Revenue			
Management fees		130,661	96,005
Performance fees		24,003	1,734
Administration fees		6,267	4,981
Total revenue		160,931	102,720
Other income (including investment gains & losses)			
Interest		5,367	4,975
Net gains/(losses) on financial assets at fair value through profit or loss		(3,816)	208
Net gains on foreign currency contracts		98	-
Net (losses) on foreign currency bank accounts		(95)	(153)
Total other income		1,554	5,030
Total gross income		162,485	107,750
Expenses			
Staff		7,791	6,781
Custody and unit registry		6,324	4,913
Business development		2,392	1,762
Research		1,061	644
Rent and other occupancy		852	817
Technology		736	744
Legal and compliance		450	423
Share-based payments		417	1,794
Depreciation		318	267
Other professional		315	380
Miscellaneous		240	268
Statutory audit fee		216	178
Mail house and periodic reporting		204	172
Share registry		178	219
Total expenses		21,494	19,362
Profit before income tax expense		140,991	88,388
Income tax expense		35,927	25,962
Profit after income tax expense		105,064	62,426
Other comprehensive income		-	-
Total comprehensive income for the half-year		105,064	62,426
Basic earnings per share (cents per share)	6	18.17	11.12
Diluted earnings per share (cents per share)	6	17.92	11.12

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

Consolidated Balance Sheet

As at 31 December 2013

	Note	31-Dec-13 \$'000	30-Jun-13 \$'000
Current assets			
Cash and cash equivalents		14,441	24,052
Financial assets at fair value through profit or loss	3	2,853	2,144
Term deposits		322,313	308,313
Trade receivables		53,282	24,919
Interest receivable		2,601	2,499
Prepayments		991	1,275
Total current assets		396,481	363,202
Non-current assets			
Net deferred tax assets		807	94
Fixed assets		2,701	2,727
Total non-current assets		3,508	2,821
Total assets		399,989	366,023
Current liabilities			
Payables		6,209	5,099
Current tax payable		20,160	14,429
Provisions		2,084	2,128
Total current liabilities		28,453	21,656
Non-current liabilities			
Provisions		501	293
Total non-current liabilities		501	293
Total liabilities		28,954	21,949
Net assets		371,035	344,074
Equity			
Contributed equity	4	715,385	712,955
Reserves	5	(561,729)	(562,146)
		153,656	150,809
Retained profits		217,379	193,265
Total equity		371,035	344,074

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 2013

	Note	Contributed Equity \$'000	Reserves \$'000	Retained Profits \$'000	Total \$'000
Balance at 1 July 2012		629,091	(564,628)	182,036	246,499
Total comprehensive income for the half-year		-	-	62,426	62,426
Transactions with equity holders:					
Share-based payments reserve	5	-	1,794	-	1,794
Dividends paid	7	-	-	(72,975)	(72,975)
Balance at 31 December 2012		629,091	(562,834)	171,487	237,744
Balance at 1 July 2013		712,955	(562,146)	193,265	344,074
Total comprehensive income for the half-year		-	-	105,064	105,064
Transactions with equity holders:					
Exercise of options	4	2,430	-	-	2,430
Share-based payments reserve	5	-	417	-	417
Dividends paid	7	-	-	(80,950)	(80,950)
Balance at 31 December 2013		715,385	(561,729)	217,379	371,035

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 2013

	Note	Half-Year to 31-Dec-13 \$'000	Half-Year to 31-Dec-12 \$'000
Cash flow from operating activities			
Interest received		5,259	5,051
Receipts from operating activities		132,469	99,505
Payments for operating activities		(19,121)	(16,745)
Income taxes paid		(30,910)	(23,827)
Cash flow from operating activities		87,697	63,984
Cash flow from investing activities			
Proceeds on maturity of term deposits		389,813	225,713
Purchase of term deposits		(403,813)	(212,013)
Payments for purchases of financial assets		(4,832)	-
Purchase of fixed assets		(291)	(396)
Distributions received		2	3
Cash flow from investing activities		(19,121)	13,307
Cash flow from financing activities			
Dividends paid		(80,927)	(72,956)
Receipts from the issue of shares	4	2,430	-
Cash flow from financing activities		(78,497)	(72,956)
Net increase/(decrease) in cash and cash equivalents		(9,921)	4,335
Cash and cash equivalents held at the beginning of the half-year		24,052	11,879
Effects of exchange rate changes on cash and cash equivalents		310	(152)
Cash and cash equivalents held at the end of the half-year		14,441	16,062

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 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated 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 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*.

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. There are three new accounting standards that are effective from 1 July 2013 that need to be assessed for a potential impact on the consolidated entity's accounting policies. Our assessment of the impact of these new standards is as follows:

a) Fair Value Measurement

The consolidated entity 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 increases transparency about fair value measurements, including the valuations techniques and inputs used to measure fair value.

For the consolidated entity, the key change is the removal of the requirement to use bid and ask prices for actively-quoted financial assets and liabilities respectively. Instead, the most representative price within the bid-ask spread should be used. With respect to the consolidated entity, the last-sale or "last" price is the most representative price within the bid-ask spread, because it represents the last price at which an investment last changed hands from buyer to seller. The consolidated entity has decided to apply last-sale pricing as the fair value measurement basis for financial assets held from 1 July 2013.

AASB 13 also requires reporting entities to disclose its valuation techniques and inputs. This is described below.

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. Financial assets are valued using "last-sale" pricing. 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.

Fair value in an inactive 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.

b) Principles of consolidation

(i) Application of new standard to the investment in related party unit trusts

The consolidated entity has applied AASB 10: *Consolidated Financial Statements* from 1 July 2013. This is a new standard and is mandatory for reporting periods beginning on or after 1 January 2013.

AASB 10 replaces all of the guidance on control and consolidation 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.

AASB 10 introduces a single definition of control that applies to all entities. It focuses on the need to have power, rights or exposure to variable returns and the ability for the consolidated entity to use its power to affect those returns before control is present. Power is the current ability to direct activities that significantly influence returns.

We have assessed the potential impact of this new standard with respect to the ownership level that the consolidated entity, through Platinum Investment Management Limited, has in the related party unit trusts. Our conclusion is that because the ownership interest is minimal, the exposure of the consolidated entity to the variable returns are also minimal. Hence our accounting policy with respect to consolidation has not changed and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year ended 31 December 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) *Application of new standard to new entities incorporated since 30 June 2013*

Since 30 June 2013, two new entities were incorporated and both entities were consolidated as part of the Platinum consolidated group, on the basis that they are controlled by the operating subsidiary, Platinum Investment Management Limited.

(a) On 26 July 2013, Platinum Investment Management Australia Corporation was incorporated in the United States. This is a 100 per cent wholly-owned subsidiary of Platinum Investment Management Limited. This entity was set up exclusively to conduct investment research activities.

(b) On 4 October 2013, the consolidated entity incorporated a Undertaking for Collective Investment in Transferable Securities (UCITS) in the Republic of Ireland. Platinum Investment Management Limited will act as the promotor for the collective investment vehicle. The UCITS, has been incorporated as Platinum World Funds Plc ("Platinum World Funds") and will operate as an open-ended investment company with variable capital. Platinum World Funds will offer the opportunity to invest in one of three funds: Platinum World - International Fund, Platinum World - Asia Fund and Platinum World - Japan Fund.

c) Employee Benefits

The consolidated entity has applied Revised AASB 119: *Employee Benefits*, AASB 2011-10: *Amendments to Australian Accounting Standards arising from AASB 119* (September 2011) and AASB 2011-11: *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements* from 1 July 2013.

The revised AASB 119 changes the definition of short-term employee benefits. Short-term employee benefits as defined under the superseded standard were benefits that are due to be settled within 12 months, after the end of the period in which the employees render the related service.

In contrast, under the revised AASB 119, short-term employee benefits are classified as those benefits that are expected to be settled wholly within 12 months after the end of the next annual reporting period in which the employees render the related service. This new standard will directly change the classification of the annual leave provision in the financial statements. Previously all annual leave provisions were classified as current (short-term) provisions. Under the new standard, a portion of the annual leave provision will be classified as non-current, because it is not required or expected that the annual leave provision or accrual is wholly used (or taken) before the end of the next annual reporting period. At 31 December 2013, \$501,000 has been classified as a non-current liability.

d) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2013 reporting period. The Company's and consolidated entity's assessment of the impact of these new standards and interpretations are summarised below:

(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, or consolidated entity.

(ii) *Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32 Financial Instruments: Presentation)* (effective for annual 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 and consolidated entity will apply the standard from 1 July 2014.

2. UNDERTAKING FOR COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES (UCITS)

As discussed in note 1 above, on 4 October 2013, the Platinum consolidated group incorporated a UCITS known as Platinum World Funds.

On 20 November 2013, Platinum Investment Management Limited provided 300,000 Euro, which is required under the *European Communities (UCITS) Regulations* (2011), as mandatory capital. As a result of this transfer of mandatory capital, Platinum World Funds has been consolidated in the accounts of the Platinum group. The amount of 300,000 Euro translates to A\$462,392 at 31 December 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year ended 31 December 2013

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	31-Dec-13 \$'000	30-Jun-13 \$'000
Derivatives*	1,215	763
Unlisted unit trust investments	1,638	1,381
	<u>2,853</u>	<u>2,144</u>

* The operating subsidiary, Platinum Investment Management Limited, maintains a short position over Japanese Government Bond (JGB) futures.

4. CONTRIBUTED EQUITY

Movement in share capital

	31-Dec-13 Quantity 000	31-Dec-13 \$'000	30-Jun-13 Quantity 000	30-Jun-13 \$'000
Ordinary shares - opening balance	578,146	712,955	561,348	629,091
Exercise of options - issue of shares on 14 May 2013	-	-	4,000	20,000
Exercise of options - issue of shares on 16 May 2013	-	-	4,000	20,000
Exercise of options - issue of shares on 21 May 2013	-	-	281	1,402
Exercise of options - issue of shares on 22 May 2013	-	-	6,052	30,260
Exercise of options - issue of shares on 22 May 2013	-	-	2,215	11,077
Exercise of options - issue of shares on 24 June 2013	-	-	250	1,125
Exercise of options - issue of shares on 19 August 2013	70	315	-	-
Exercise of options - issue of shares on 16 September 2013	70	315	-	-
Exercise of options - issue of shares on 22 October 2013	170	765	-	-
Exercise of options - issue of shares on 28 October 2013	30	135	-	-
Exercise of options - issue of shares on 11 November 2013	170	765	-	-
Exercise of options - issue of shares on 20 December 2013	30	135	-	-
Total contributed equity	<u>578,686</u>	<u>715,385</u>	<u>578,146</u>	<u>712,955</u>

Ordinary Shares

At 31 December 2013, the total number of shares on issue is 578,685,695. 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. All ordinary shares are issued and authorised.

5. RESERVES

Movement in Reserves

	Half-Year to 31-Dec-13 \$'000	Half-Year to 31-Dec-12 \$'000
Vested shares - Options (granted on 17 June 2009 and vested on 17 June 2013)	-	1,246
Vested shares - Fund appreciation rights (granted on 1 April 2010 and vested on 31 March 2013)	-	271
Unvested shares - Fund appreciation rights (granted on 1 April 2011)	417	277
	<u>417</u>	<u>1,794</u>

No new Fund appreciation rights were granted on 1 April 2012 and 1 April 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year ended 31 December 2013

6. EARNINGS PER SHARE

	Half-Year to 31-Dec-13	Half-Year to 31-Dec-12
Basic earnings per share - cents per share	18.17	11.12
Diluted earnings per share - cents per share	17.92	11.12
	Half-Year to 31-Dec-13 \$'000	Half-Year to 31-Dec-12 \$'000
Earnings used in the calculation of basic earnings per share	105,064	62,426
Earnings used in the calculation of diluted earnings per share	105,064	62,426
Weighted average number of Ordinary Shares on issue used in the calculation of basic earnings per share*	578,363,032	561,347,878
Adjustment for potential ordinary shares - options "in the money" at balance date	7,993,205	-
Weighted average number of ordinary shares and potential ordinary shares used as a denominator in calculating diluted earnings per share	586,356,237	561,347,878

All 7,993,205 unexercised options granted to employees in June 2009 are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share as they are deeply "in the money" and dilutive at 31 December 2013. The strike price is \$4.50 and the average share price of the Company for the period 1 July 2013 and 31 December 2013 was \$5.98. These options have not been included in the calculation of basic earnings per share.

* The weighted number of ordinary shares on issue used in the calculation of basic earnings per shares increased because new shares were issued as a result of employees exercising options during the period (see Note 4 for further details).

7. DIVIDENDS (fully-franked)

	Half-Year to 31-Dec-13 cents per share	\$'000	Half-Year to 31-Dec-12 cents per share	\$'000
Paid - 21 September 2012	-	-	13.00	72,975
Paid - 23 September 2013	14.00	80,950	-	-
	14.00	80,950	13.00	72,975

Since the period end, the Directors have determined to pay a fully-franked dividend of 14 cents per share payable out of profits for 6 months ended 31 December 2013. This dividend has not been provided for at 31 December 2013, as it was declared after period end.

8. FAIR VALUE MEASUREMENT

AASB 13 *Fair Value Measurement* requires the consolidated entity to classify those assets and liabilities measured at fair value using the following fair value hierarchy model (consistent with the hierarchy model applied to financial assets 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 consolidated entity recognises the following financial assets and liabilities at fair value, pursuant to AASB 13, on a recurring basis:

- (i) unlisted unit trust investments; and
- (ii) short position over Japanese Government Bond (JGB) futures.

At 31 December 2013 and 30 June 2013, all financial assets and liabilities at fair value through profit or loss are classified as level 1 as all financial assets and liabilities are based on quoted arm's length prices in active markets. The Japanese Government Bond futures are a globally-cleared derivative and trade in a highly liquid market.

The consolidated entity's policy is to recognise transfers into and transfers out of fair value hierarchy levels 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 CONSOLIDATED FINANCIAL STATEMENTS

For the Half-Year ended 31 December 2013

9. 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.

10. 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 11.

11. THE SUBSIDIARIES

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

- (i) McRae Pty Limited (incorporated in Australia and 100% owned by the Company).
- (ii) Platinum Asset Pty Limited (incorporated in Australia and 100% owned by the Company).
- (iii) Platinum Investment Management Limited (incorporated in Australia and indirectly 100% owned by the Company).
- (iv) Platinum Asset Management Pte Ltd (incorporated in Singapore and indirectly 100% owned by the Company).
- (v) Platinum Investment Management Australia Corporation (incorporated in the United States and indirectly 100% owned by the Company).
- (vi) Platinum World Funds Plc (incorporated in Ireland and indirectly 100% owned by the Company).

12. EVENTS OCCURRING AFTER REPORTING DATE

Since the end of the half-year, the Directors have declared a fully-franked dividend of 14 cents per share payable on 17 March 2014.

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

13. 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 2013 was \$109,293,015 (2012: \$82,189,610). Of this, an amount of \$20,316,591 was receivable at 31 December 2013 (2012: \$14,059,390).

On 20 November 2013, Platinum Investment Management Limited provided 300,000 Euro (valued at A\$462,392 at 31 December 2013) as mandatory capital for Platinum World Funds Plc.

DIRECTORS' DECLARATION

In the Directors' opinion,

- (a) the financial statements and notes set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the consolidated entity'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; and
- (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

Andrew Clifford
Director

Sydney
20 February 2014



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 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 for Platinum Asset Management Limited (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 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 consolidated 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 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

T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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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 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

SJ Smith
Partner

Sydney
20 February 2014

DIRECTORY

Directors

Michael Cole
Bruce Coleman
Margaret Towers
Kerr Neilson
Andrew Clifford
Elizabeth Norman
Philip Howard

Company Secretary

Philip Howard

Shareholder Liaison

Elizabeth 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

<https://www.platinum.com.au/Shareholder-information/>

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