

Appendix 4D

Preliminary interim report

Listing Rule 4.2A.3

Company	Platinum Capital Limited
ASX Code	PMC
Half-Year Ended	31 December 2011
Previous corresponding period – Half-Year Ended	31 December 2010
ABN	51 063 975 431

Results for Announcement to the Market

		\$A'000
Total Investment Loss	-208.9%	(19,645)
Loss after income tax attributable to members	-290.8%	(23,322)
Net loss for the period attributable to members	-290.8%	(23,322)

Under Australian Accounting Standards, realised profits and losses are added to or reduced by changes in the market value of the Company's total assets. This can lead to large variations in reported profits from any one year to the next. The decline in markets and derivative hedging costs account for the majority of the losses recorded above.

In the opinion of your Directors, the longer term movement of asset values, combined with the flow of dividends, is a better measure of the performance of a listed investment company, such as Platinum Capital Limited.

Dividends

On 12 January 2012, the Company announced that there will be no dividend paid for the half-year ended 31 December 2011.

The nil interim dividend was a consequence of the current period operating loss driving down the level of retained earnings to negative 13.99 cents per share at 31 December 2011.

Future dividend payments will be dependent on the Company's future earnings.

A fully franked 1.9 cents per share final dividend for the year ended 30 June 2011 was paid on 1 September 2011.

- Refer to the attached Auditor-reviewed financial statements for financial data on the Company. These are available at http://www.platinum.com.au/images/pcl_dec11.pdf.

Dividend Reinvestment Plan

As a consequence of no dividend being paid for the half-year ended 31 December 2011, the Dividend Reinvestment Plan will not operate.

P Howard
Company Secretary
9 February 2012

PLATINUM CAPITAL[®] LIMITED

ABN 51 063 975 431

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

PLATINUM CAPITAL LIMITED

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

Contents	Page
Directors' Report	3
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 12
Directors' Declaration	13
Independent Review Report	14 - 15
Directory	16

The interim financial report was authorised for issue on 9 February 2012 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 2011 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 2011

DIRECTORS' REPORT

The Directors present their report on Platinum Capital Limited for the half year ended 31 December 2011.

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	Director
Philip Howard	Director and Company Secretary

Review of Operations

Operating Result

The net loss before tax was \$21,727,000 and the net loss after tax was \$23,322,000 (2010: net loss of \$8,744,000 before tax and a net loss of \$5,967,000 after tax).

Taxation

Income tax expense for the period was \$1,595,000 (2010: income tax benefit \$2,777,000).

Dividends

On 12 January 2012, the Directors declared a nil interim dividend. The nil interim dividend is a result of the current period interim loss which has reduced the level of retained earnings to negative \$23,195,000 or negative 13.99 cents per share at 31 December 2011.

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 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.

Bruce Phillips

Chairman

Kerr Neilson

Director

Sydney
9 February 2012



Auditor's Independence Declaration

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

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

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

AJ Wilson
Partner
PricewaterhouseCoopers

Sydney
9 February 2012

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

Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Comprehensive Income

For the Half-Year Ended 31 December 2011

		Half-Year	
	Notes	31 Dec 2011 \$'000	31 Dec 2010 \$'000
Investment income			
Dividends		3,624	2,380
Interest		9	38
Net gains/(losses) on equities/derivatives		(20,799)	(11,375)
Net gains/(losses) on forward currency contracts		(2,524)	5,928
Net foreign exchange gains/(losses) on overseas bank accounts		45	(3,330)
Total investment income/(loss)		<u>(19,645)</u>	<u>(6,359)</u>
Expenses			
Management fee	8	1,345	1,562
Custody		83	88
Share registry		44	100
Continuous reporting disclosure		70	85
Directors' fees		84	84
Auditor's remuneration			
- auditing and review (\$62,400, 2010:\$60,226)		62	60
- taxation services (\$27,751, 2010:\$23,640)		28	24
Transaction costs		98	123
Withholding tax on foreign dividends		123	116
Other expenses		145	143
Total expenses		<u>2,082</u>	<u>2,385</u>
Profit/(loss) before income tax		<u>(21,727)</u>	<u>(8,744)</u>
Income tax expense/(benefit)		<u>1,595</u>	<u>(2,777)</u>
Profit/(loss) after income tax		<u>(23,322)</u>	<u>(5,967)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the half-year		<u>(23,322)</u>	<u>(5,967)</u>
Basic earnings per share (cents per share)	5	<u>(14.09)</u>	<u>(3.66)</u>
Diluted earnings per share (cents per share)	5	<u>(14.09)</u>	<u>(3.66)</u>

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

Balance Sheet

As at 31 December 2011

	Notes	31 Dec 2011 \$'000	30 June 2011 \$'000
Assets			
Cash and cash equivalents		19,701	20,204
Financial assets at fair value through profit or loss	3	152,341	178,957
Income tax receivable		244	-
Receivables		290	604
Deferred tax assets		3,104	4,944
Total assets		175,680	204,709
Liabilities			
Payables		466	3,106
Financial liabilities at fair value through profit or loss	3	887	1,325
Deferred tax liabilities		886	1,132
Total liabilities		2,239	5,563
Net assets		173,441	199,146
Equity			
Contributed equity		196,636	195,885
Retained profits		(23,195)	3,261
Total equity		173,441	199,146

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

Statement of Changes in Equity

For the Half-Year Ended 31 December 2011

	Notes	Contributed Equity \$'000	Retained Profits \$'000	Total \$'000
Balance at 1 July 2010		192,232	26,696	218,928
Total comprehensive income for the half-year		-	(5,967)	(5,967)
Transactions with equity holders in their capacity as equity owners:				
Contributions of equity, net of transactions costs:	4	2,020	-	2,020
Dividends paid	7	-	(8,113)	(8,113)
Balance at 31 December 2010		194,252	12,616	206,868
Balance at 1 July 2011		195,885	3,261	199,146
Total comprehensive income/(loss) for the half-year		-	(23,322)	(23,322)
Transactions with equity holders in their capacity as equity owners:				
Contributions of equity, net of transactions costs:	4	751	-	751
Dividends paid	7	-	(3,134)	(3,134)
Balance at 31 December 2011		196,636	(23,195)	173,441

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 2011

	Notes	Half-Year	
		31 Dec 2011	31 Dec 2010
		\$'000	\$'000
Cash flows from operating activities			
Dividends received		3,951	2,401
Interest received		11	38
Payments for purchases of financial assets		(63,713)	(78,036)
Proceeds from sale of financial assets		63,792	76,825
Management fees paid		(1,376)	(1,582)
Other expenses		(716)	(850)
Income tax paid		(244)	(1,221)
Net cash from operating activities		<u>1,705</u>	<u>(2,425)</u>
Cash flows from financing activities			
Dividends paid		(3,172)	(8,092)
Proceeds from issue of shares	4	751	2,020
Net cash from financing activities		<u>(2,421)</u>	<u>(6,072)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(716)</u>	<u>(8,497)</u>
Cash and cash equivalents held at the beginning of the half-year		20,204	24,630
Effects of exchange rate changes on cash and cash equivalents		213	(3,200)
Cash and cash equivalents held at the end of the half-year		<u>19,701</u>	<u>12,933</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2011

1. Summary Of Significant Accounting Policies

This general purpose financial report for the interim half-year reporting period ended 31 December 2011 has been prepared in accordance with AASB 134: *Interim Financial Reporting*, other mandatory professional reporting requirements and the *Corporations Act 2001*. 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 2011 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. Comparative information has been reclassified, where appropriate, to enhance comparability.

New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2011 reporting period. The accounting standard of relevance to the Company is summarised below, together with the Company's assessment of its impact.

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

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

2. Recognition of Deferred Tax Assets

In line with our existing accounting policy, the Company exercises judgement in determining the extent of recognition of deferred tax assets, in relation to unrealised tax losses and whether future realised taxable profits are expected to be sufficient, to allow recovery of these losses. At 31 December 2011, deferred tax assets of \$8,160,954 (31 December 2010: \$nil) arising from unrealised investment losses have not been brought to account.

	31 Dec 2011	30 June 2011
	\$'000	\$'000

3. Financial Assets and Liabilities at Fair Value through Profit or Loss

Financial Assets

Equity securities	150,979	178,819
Derivatives	696	65
Foreign currency contracts	666	73
Financial assets	152,341	178,957

Financial Liabilities

Derivatives	736	1,325
Foreign currency contracts	151	-
Financial liabilities	887	1,325

Total of Financial assets less liabilities

	151,454	177,632
--	----------------	----------------

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2011 (continued)

			Half-Year		Half-Year	
			31 Dec 2011	31 Dec 2011	31 Dec 2010	31 Dec 2010
			Quantity	\$'000	Quantity	\$'000
4. Equity Issued						
Dividend reinvestment plan	(a)	2-Sep-10	-	-	1,460,985	2,002
Reinvestment of unclaimed dividends	(b)	17-Sep-10	-	-	13,089	18
Dividend reinvestment plan	(a)	1-Sep-11	769,006	723	-	-
Reinvestment of unclaimed dividends	(b)	14-Sep-11	28,462	28	-	-
Issue of Ordinary Shares during the half-year			<u>797,468</u>	<u>751</u>	<u>1,474,074</u>	<u>2,020</u>

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

(b) 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.

Ordinary Shares

As at 31 December 2011, Ordinary Shares on issue totalled 165,756,883. 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.

At the 2010 Annual General Meeting, a non-binding resolution was passed permitting the Directors to consider implementing a capital management programme. As at the date of this report, there has been no issue or buy-back of ordinary shares under this programme.

		Half-Year	
		31 Dec 2011	31 Dec 2010
5. Earnings Per Share			
Basic earnings per share - cents per share		<u>(14.09)</u>	<u>(3.66)</u>
Diluted earnings per share - cents per share		<u>(14.09)</u>	<u>(3.66)</u>
Weighted average number of Ordinary Shares on issue used in the calculation of basic and diluted earnings per share		<u>165,486,160</u>	<u>163,227,116</u>
		\$'000	\$'000
Earnings used in the calculation of basic/diluted earnings per share		<u>(23,322)</u>	<u>(5,967)</u>

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 or reinvestment of unclaimed dividends. As there are no potential Ordinary Shares, diluted earnings per share equals basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2011 (continued)

31 Dec 2011	30 June 2011
\$'000	\$'000

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

Net Asset Value per Balance Sheet	173,441	199,146
Add:		
Difference between bid price under Australian Accounting Standards and last sale price	48	175
Less:		
Deferred income tax asset on movements between bid price under Australian Accounting Standards and last sale price	(14)	(53)
Net deferred income tax asset in respect of (un)realised losses	(2,205)	(3,759)
Net Asset Value	<u>171,270</u>	<u>195,509</u>
Net Asset Value - cents per share	<u>103.33</u>	<u>118.52</u>

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

Half-year		Half-year	
31 Dec 2011	31 Dec 2011	31 Dec 2010	31 Dec 2010
cps	\$'000	cps	\$'000

7. Dividends (fully franked)

Paid - 2 September 2010	-	-	5.00	8,113
Paid - 1 September 2011	1.90	3,134	-	-
	<u>1.90</u>	<u>3,134</u>	<u>5.00</u>	<u>8,113</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2011 (continued)

8. 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 (that included cash and deposits).

A Performance fee is payable at 10%, if at 30 June 2012, 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 2011, the half-year pre-tax performance of the portfolio was negative 11.21% and the corresponding MSCI was negative 7.57%. This represents an underperformance of 3.64% against the MSCI.

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.

Fees paid and payable for the half-year is shown in the table below:

	Half-Year	
	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
Management fee	1,345	1,562
Amounts paid and accrued for the half-year	1,345	1,562

9. Contingent Liabilities and Commitments for Expenditure

No contingent liabilities exist as at 31 December 2011.

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

10. Segment Information

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

11. Events occurring after reporting date

No other significant events have occurred since reporting date that would impact the Balance Sheet of the Company as at 31 December 2011 and the results for the half-year ended on that date.

DIRECTORS' DECLARATION

In the Directors' opinion,

- (a) the financial statements and notes set out on pages 5 to 12 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 2011 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
9 February 2012



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, which comprises the Balance Sheet as at 31 December 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the half-year ended on that date, selected explanatory notes and the Directors' Declaration for the Platinum Capital Limited (the Company).

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

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

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



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

PricewaterhouseCoopers

AJ Wilson
Partner

Sydney
9 February 2012

DIRECTORY

Directors

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

Company Secretary

Philip Howard

Investment Manager

Platinum Investment Management Limited

Shareholder Liaison

Liz Norman

Registered Office

Level 8, 7 Macquarie Place
Sydney NSW 2000
phone +1300 726 700 (Australia only)
fax +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: **PMC**

Website

<http://www.platinumcapital.com.au>

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