

PLATINUM CAPITAL[®] LIMITED

ABN 51 063 975 431

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

PLATINUM CAPITAL LIMITED

REPORT TO SHAREHOLDERS

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

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 2008 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

REPORT TO SHAREHOLDERS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

DIRECTORS' REPORT

In respect of the half-year ended 31 December 2008, the Directors of Platinum Capital Limited (the Company) submit the following report made out in accordance with a resolution of the Directors.

Directors

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

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

Review of Operations

Operating Result

The net profit before tax was \$12,075,000 and the net profit after tax was \$7,844,000 (2007: net loss of \$1,532,000 before tax and a net loss of \$1,121,000 after tax).

Taxation

Income tax expense for the period was \$4,231,000 (2007: income tax benefit \$411,000).

Dividends

The Directors have determined to pay to Shareholders, registered on 23 February 2009 (record date), a fully franked interim dividend of 5 cents per share (2008: interim 5 cents per share).

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

Auditors Independence Declaration

A copy of the Auditors' Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding 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 Coleman

Director

Kerr Neilson

Director

Sydney
12 February 2009

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the review of Platinum Capital Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Platinum Capital Limited during the half-year.

AJ Wilson
Partner
PricewaterhouseCoopers

Sydney
February 2009

Income Statement

For The Half-Year Ended 31 December 2008

	Notes	Half-year	
		31 Dec 2008	31 Dec 2007
		\$'000	\$'000
Investment income			
Dividends		1,640	1,146
Interest		214	332
Net gains/(losses) on equities/derivatives		7,581	(720)
Net gains on forward currency contracts		698	1,015
Net gains/(losses) on overseas bank accounts		6,523	(921)
Total investment income		<u>16,656</u>	<u>852</u>
Expenses			
Management fee		1,263	1,567
Performance fee	7	2,333	-
Custody		70	92
Share registry		225	121
Continuous reporting disclosure		135	135
Directors' fees		84	84
Auditors' remuneration			
- Auditing and review (\$57,012, 2007:\$55,410)		57	55
- Taxation services (\$29,350, 2007:\$35,007)		29	35
Transaction costs		125	76
Withholding tax on foreign dividends		136	96
Other expenses		124	123
Total expenses		<u>4,581</u>	<u>2,384</u>
Profit/(loss) before income tax		12,075	(1,532)
Income tax expense/(benefit)		4,231	(411)
Profit/(loss) after income tax		<u>7,844</u>	<u>(1,121)</u>
Basic earnings per share (cents per share)	3	<u>5.98</u>	<u>(0.90)</u>
Diluted earnings per share (cents per share)	3	<u>5.98</u>	<u>(0.90)</u>

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

Balance Sheet

As At 31 December 2008

		31 Dec 2008 \$'000	30 Jun 2008 \$'000
	Notes		
Assets			
Financial assets at fair value through profit or loss	6	165,893	138,847
Cash and cash equivalents		20,221	19,028
Receivables		312	407
Deferred tax assets		11,107	6,689
Income tax receivable		-	2,415
Total assets		197,533	167,386
Liabilities			
Payables		4,304	642
Income tax payable		3,630	-
Deferred tax liabilities		305	125
Total liabilities		8,239	767
Net assets		189,294	166,619
Equity			
Contributed equity		169,722	148,533
Retained profits		19,572	18,086
Total equity		189,294	166,619

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

Statement of Changes in Equity
For The Half-Year Ended 31 December 2008

		Half-year	
		31 Dec 2008	31 Dec 2007
		\$'000	\$'000
	Notes		
Total equity at the beginning of the half-year		166,619	203,917
Profit/(Loss) for the half-year		7,844	(1,121)
Total recognised income and expense for the half-year		7,844	(1,121)
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transactions costs	2	21,189	3,462
Dividends paid	5	(6,358)	(12,400)
		14,831	(8,938)
Total equity at the end of the half-year		189,294	193,858

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

Cash Flow Statement
For The Half-Year Ended 31 December 2008

	Notes	Half-year	
		31 Dec 2008 \$'000 Inflows (Outflows)	31 Dec 2007 \$'000 Inflows (Outflows)
Cash flows from operating activities			
Dividends received		1,597	1,233
Interest received		206	345
Cost of purchases of financial assets		(88,197)	(56,514)
Proceeds from sale of financial assets		70,489	74,540
Management fee paid		(1,231)	(1,583)
Other expenses		(938)	(758)
Income tax paid		(2,425)	(2,951)
Net cash from operating activities		(20,499)	14,312
Cash flows from financing activities			
Dividends paid		(6,303)	(12,288)
Proceeds from issue of shares	2	21,189	3,462
Net cash from financing activities		14,886	(8,826)
Net increase/(decrease) in cash and cash equivalents		(5,613)	5,486
Cash and cash equivalents held at the beginning of the half-year		19,028	21,148
Effects of exchange rate changes on cash and cash equivalents		6,806	(511)
Cash and cash equivalents held at the end of the half-year		20,221	26,123

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

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2008

1. Summary Of Significant Accounting Policies

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with AASB 134: *Interim Financial Reporting*, other mandatory professional reporting requirements and the *Corporations Act 2001*.

The interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made in respect of Platinum Capital Limited during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

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

		Half-year		Half-year	
		31 Dec 2008	31 Dec 2008	31 Dec 2007	31 Dec 2007
		Quantity	\$'000	Quantity	\$'000
Reinvestment of unclaimed dividends	(b)	6-Sep-07	-	8,210	17
Dividend reinvestment plan	(a)	14-Nov-07	-	1,892,923	3,445
Reinvestment of unclaimed dividends	(b)	8-Sep-08	13,914	-	-
Dividend reinvestment plan	(a)	14-Nov-08	1,669,647	1,703	-
Shares Issued under Rights Issue	(c)	26-Nov-08	16,315,484	17,457	-
Shares issues under Share Purchase Plan	(d)	05-Dec-08	1,914,355	2,010	-
Issue of Ordinary Shares during the half-year			19,913,400	1,901,133	3,462

(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.

(c) On 16 October 2008, the Company announced a Rights Issue in which eligible Australian and New Zealand shareholders were offered 1 share for every 1 fully paid ordinary share held as at 31 October 2008 at an issue price of \$1.07 per share. On 26 November 2008 16,315,484 shares were allotted.

(d) On 22 October 2008, the Company announced a Share Purchase Plan (SPP) in which eligible Australian and New Zealand shareholders, were able to purchase shares up to a maximum value of A\$5,000. The issue price was equal to a 5% discount of the weighted average price for the 5 trading days before the allotment date of 5 December 2008. On 5 December 2008, 1,914,355 shares were allotted.

Ordinary Shares

As at 31 December 2008, Ordinary Shares on issue totalled 143,063,458. 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.

3. Earnings Per Share

	Half-year	
	31 Dec 2008	31 Dec 2007
Basic earnings per share - cents per share	5.98	(0.90)
Diluted earnings per share - cents per share	5.98	(0.90)
Weighted average number of Ordinary Shares on issue used in the calculation of basic and diluted earnings per share	131,067,385	124,503,609
	\$'000	\$'000
Earnings used in the calculation of basic and diluted earnings per share	7,844	(1,121)

There have been no conversions to, calls of, or subscriptions for Ordinary Shares during the period other than those issued under the dividend reinvestment plan, and issues of Ordinary Shares pursuant to the Rights Issue and Share Purchase Plan. 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 2008 (continued)

	31 Dec 2008 \$'000	30 Jun 2008 \$'000
4. Statement of Net Asset Value		
Reconciling Net Asset Value in accordance with AIFRS to that reported to the ASX*		
Net Asset Value per Balance Sheet	189,294	166,619
Add:		
Difference between bid price under AIFRS and last sale price	703	163
Deferred income tax asset on performance fee accrual	700	-
Less:		
Deferred income tax asset on movements on AIFRS and last sale price	(211)	(49)
Deferred Income tax asset on revaluation of investments not recognised in Net Asset Value	(2,828)	(3,106)
Net Asset Value	<u>187,658</u>	<u>163,627</u>
Net Asset Value - cents per share	<u>127.60</u>	<u>128.69</u>

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

	Half-year		Half-year	
	31 Dec 2008 cps	31 Dec 2008 \$'000	31 Dec 2007 cps	31 Dec 2007 \$'000
5. Dividends				
Paid - Final Fully Franked @30%	5.00	6,358	10.00	12,400

Since the period end, the Directors have determined to pay a fully franked interim dividend of 5 cents per fully paid Ordinary Share. This dividend has not been provided for as at 31 December 2008.

	31 Dec 2008 \$'000	30 Jun 2008 \$'000
6. Financial Assets at Fair Value Through Profit or Loss		
	Fair Value	Fair Value
Listed and non-listed securities	165,303	136,174
Derivatives	(1,322)	2,542
Foreign currency contracts	1,912	131
Total investment portfolio	<u>165,893</u>	<u>138,847</u>

The Company has applied AIFRS to the comparative information on financial assets within the scope of AASB 132 and AASB 139. The fair value of financial assets are measured at "bid" price for listed securities and "ask" price for short sold listed securities excluding transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2008 (continued)

7. 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 (which includes cash and deposits).

A Performance fee is payable at 10%, if at 30 June, 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 2008, the half-year pre-tax performance of the portfolio was positive 9.52% and the corresponding MSCI was negative 10.89%. This represents an outperformance of 20.41% against the MSCI, and 14.72% after the brought forward net underperformance amount of 0.69% and the 5% MSCI hurdle.

Accounting standards require a Performance fee to be accrued. No fee is due and payable until the outcome of the investment performance for the year ended 30 June 2009 is known.

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 accrued for the half year is shown in the table below:

	Half-year	
	31 Dec 2008	31 Dec 2007
	\$'000	\$'000
Management fee	1,263	1,567
Performance fee	2,333	-
Amounts paid and accrued for the half-year	3,596	1,567

8. Contingent Liabilities and Commitments for Expenditure

No contingent liabilities exist as at 31 December 2008.

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

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2008 (continued)

9. Segment Information

The Company operates solely in Australia.

While the Company only operates in Australia (the geographical segment), it has investment exposures in different countries.

The geographical locations of those exposures are outlined below.

	Half-year		Half-year	
	31 Dec 2008	31 Dec 2008	31 Dec 2007	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
	Revenue	Result	Revenue	Result
Japan	856	820	(4,826)	(4,849)
Other Asia	(1,241)	(1,359)	4,416	4,371
Australia	840	840	(14)	(14)
Europe - Euro	(2,107)	(2,139)	(2,365)	(2,407)
Europe - Other	(267)	(268)	(2,151)	(2,159)
North America	15,999	15,925	4,591	4,537
South America	1,786	1,786	54	54
Africa	92	92	132	132
Unallocated Revenue - Net gains on forward currency contracts	698	698	1,015	1,015
Unallocated Expenses	-	(4,320)	-	(2,212)
Total	16,656	12,075	852	(1,532)

10. Events occurring after reporting date

No significant events have occurred since reporting date which would impact the Balance Sheet of the Company as at 31 December 2008 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 2008 and of its performance, as represented by the results of its operations, changes in equity 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 Coleman
Director

Kerr Neilson
Director

Sydney
12 February 2009

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 2008 and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other 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 and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 2008 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

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

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

Independence

In conducting our review, we 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 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PricewaterhouseCoopers

AJ Wilson
Partner

Sydney
February 2009

DIRECTORY

Directors

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

Secretary

Malcolm Halstead

Investment Manager

Platinum Investment Management Limited

Shareholder Liaison

Liz Norman

Registered Office

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

Share Registrar

Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney NSW 2000
1300 855 0800 (Australia only) - phone
+ 61 3 9415 4000 - phone
+ 61 3 9473 2118 - fax

Auditors and Taxation Advisors

PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

Solicitor

Allens Arthur Robinson
Level 28, Deutsche Bank Place
Corner of Hunter and Phillip Streets
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.