



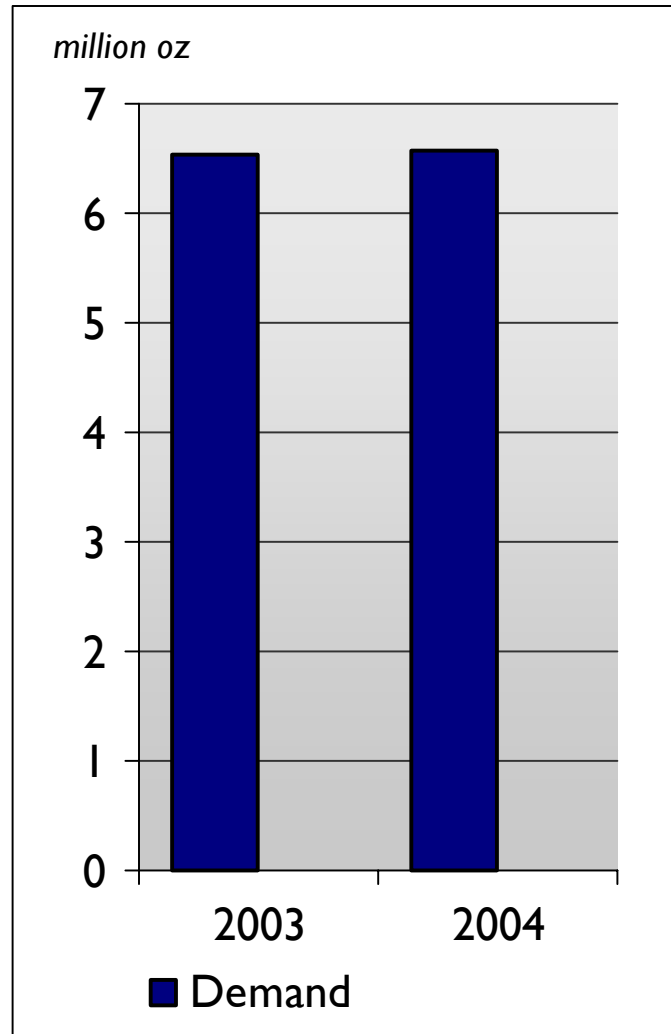
Johnson Matthey

Platinum 2005



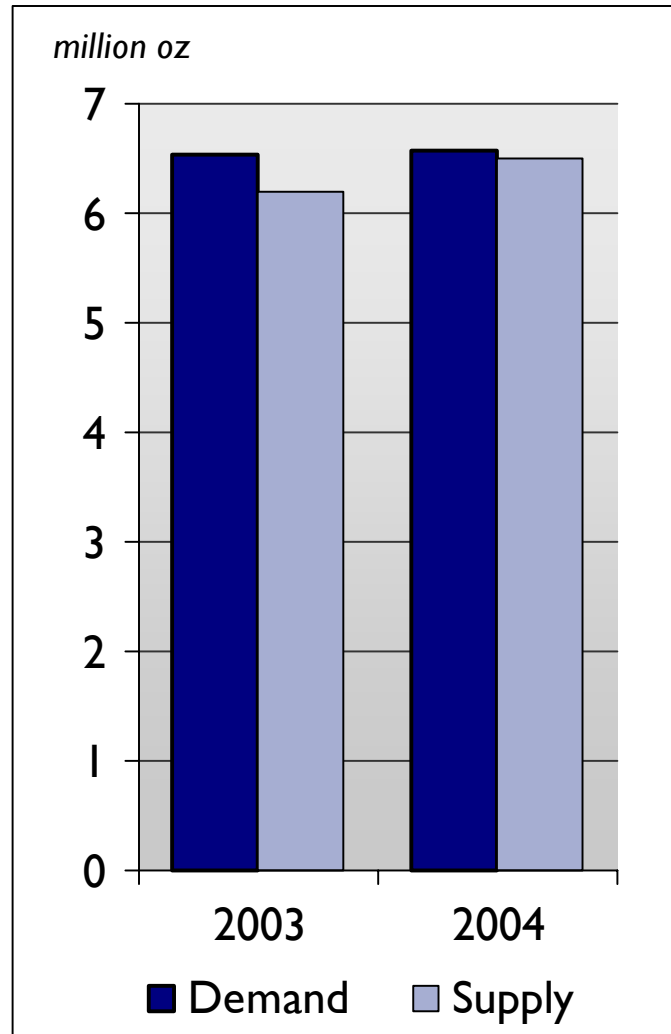
16th May 2005

Platinum Demand + 1%



- Demand edged up to a new high of 6.58 million oz
- Strong growth from autocatalyst sector and industrial applications
- Purchases for jewellery manufacture dropped by 12 per cent

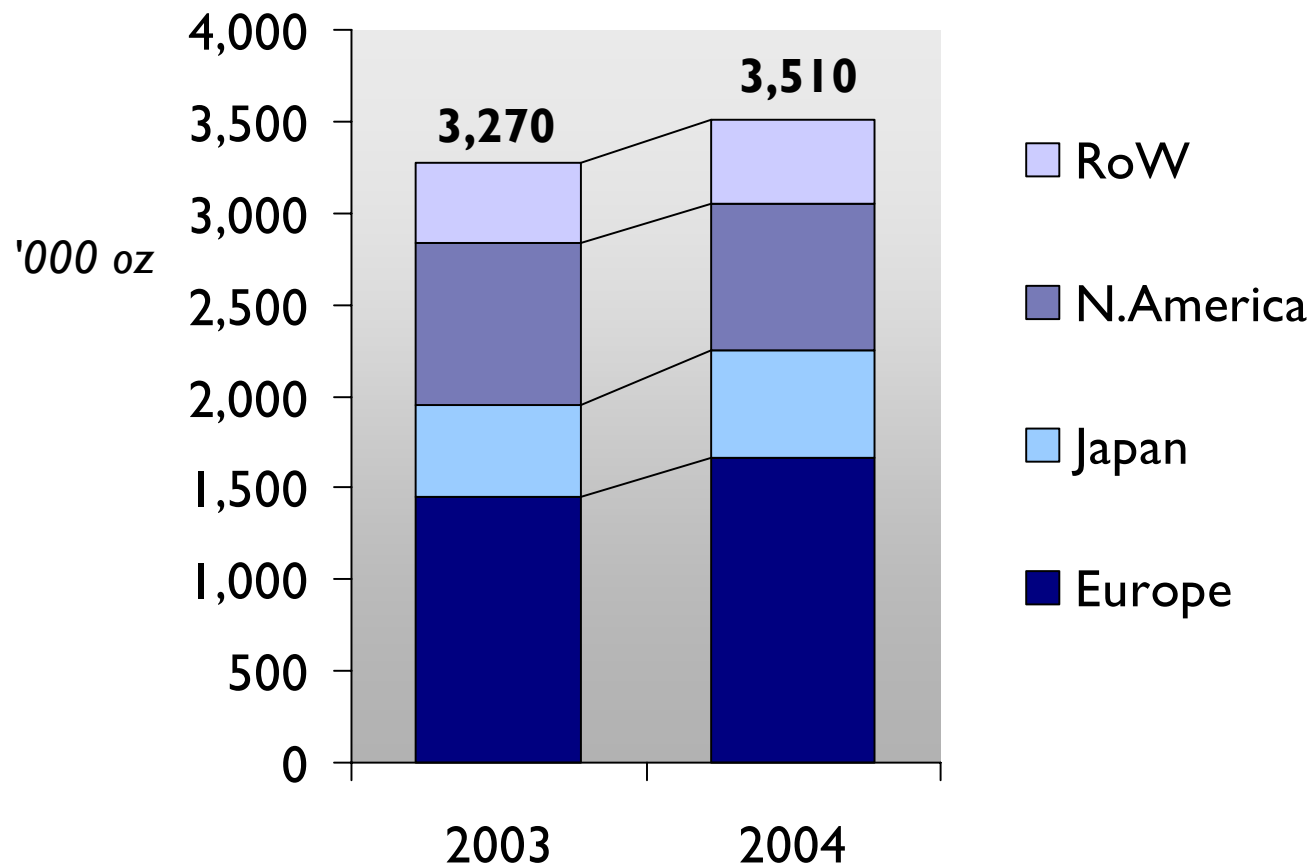
Platinum Supply + 5%



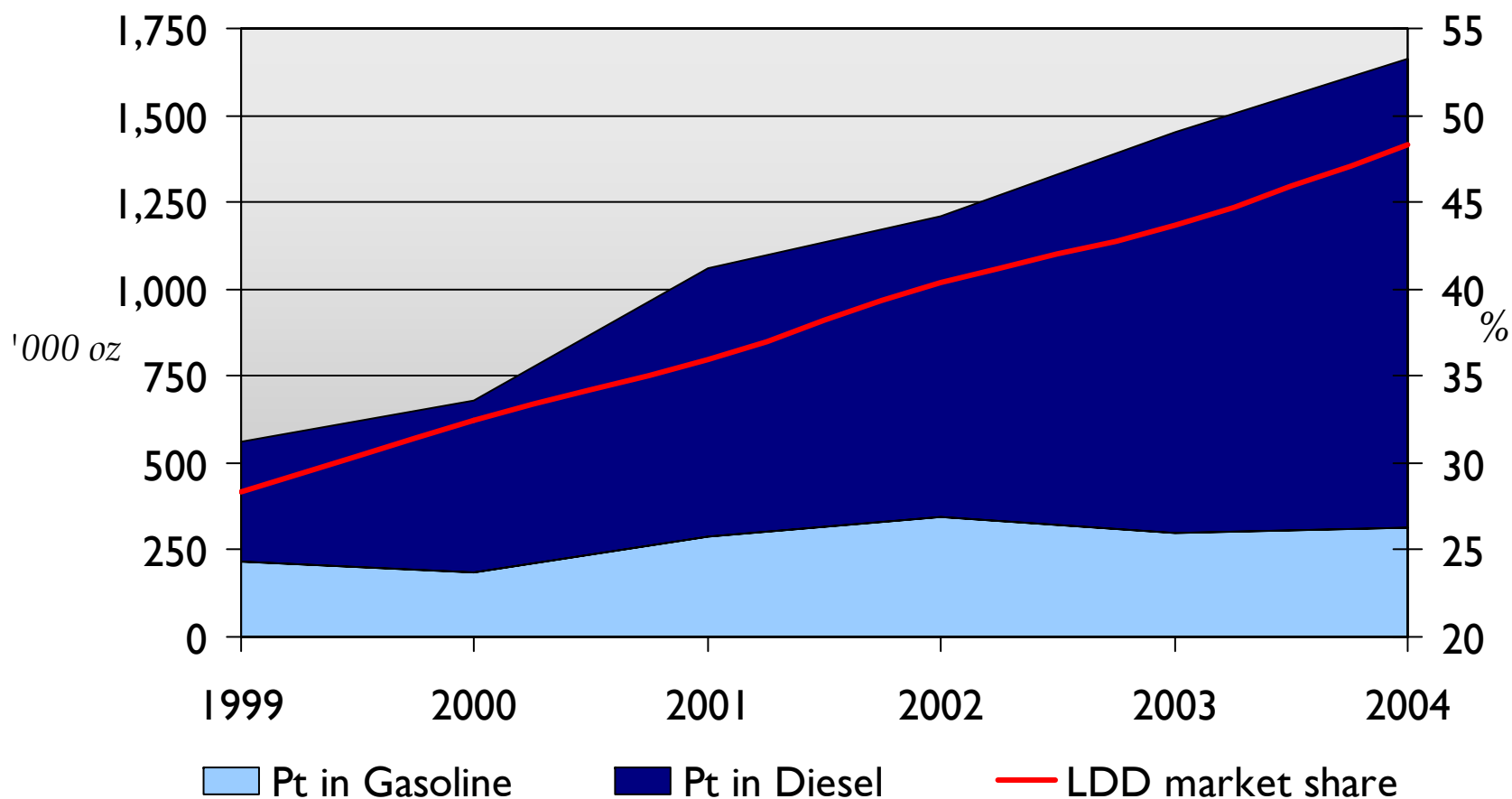
- Supplies grew more rapidly than demand, reaching 6.5 million oz
- Market moved close to balance
- Price was supported by fund investment, as well as by physical demand

Platinum Demand by Application

Autocatalyst: +7%



European Demand for Platinum in Autocatalysts 1999-2004



Autocatalyst Demand for Platinum: Other Markets

Japan: up 18% to 590,000 oz

- Truck manufacturers introduce models with catalysts & particulate filters as standard equipment

North America: down 10% to 800,000 oz

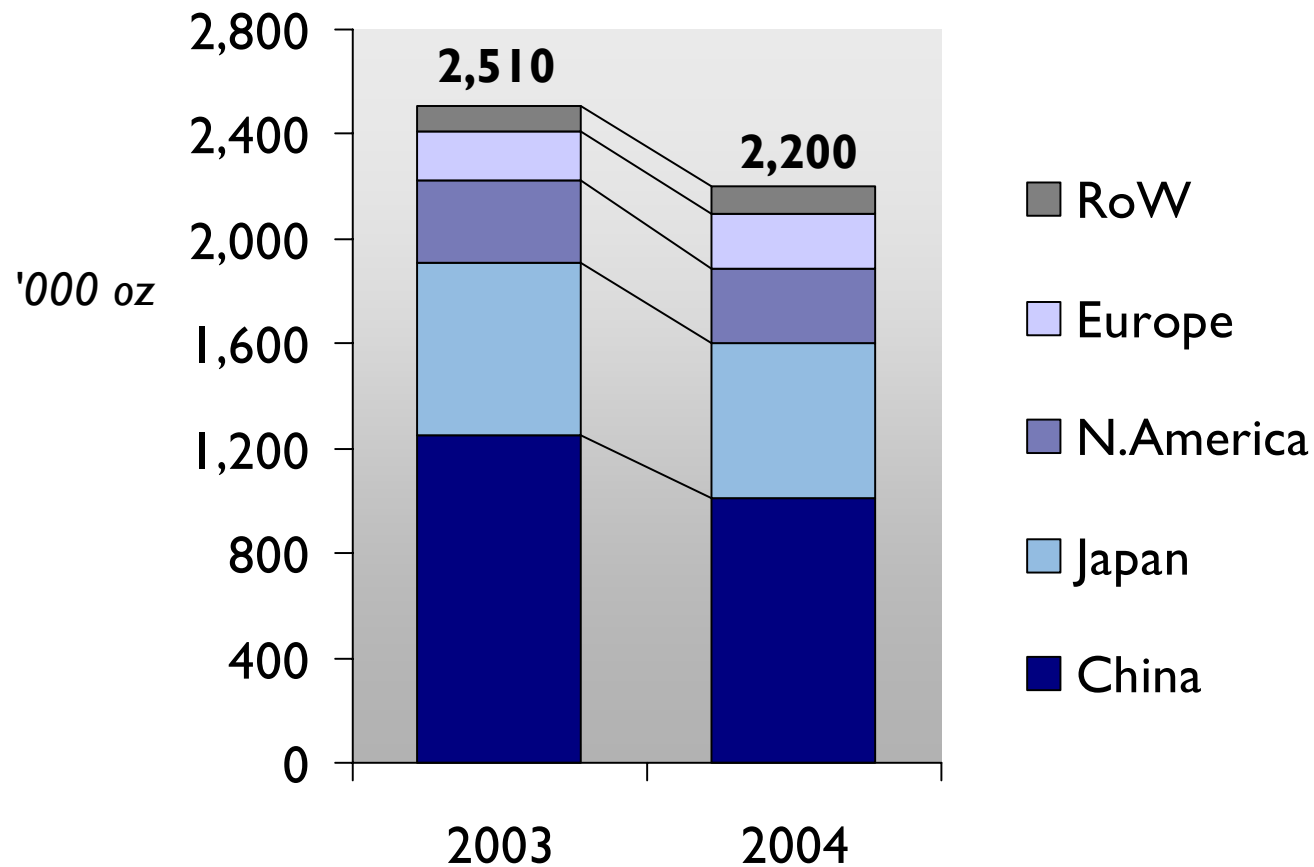
- Substitution by palladium in gasoline autocatalysts

Rest of the World: up 7% to 460,000 oz

- Higher light vehicle production and tightening emissions limits in Asia

Platinum Demand by Application

Jewellery: -12%

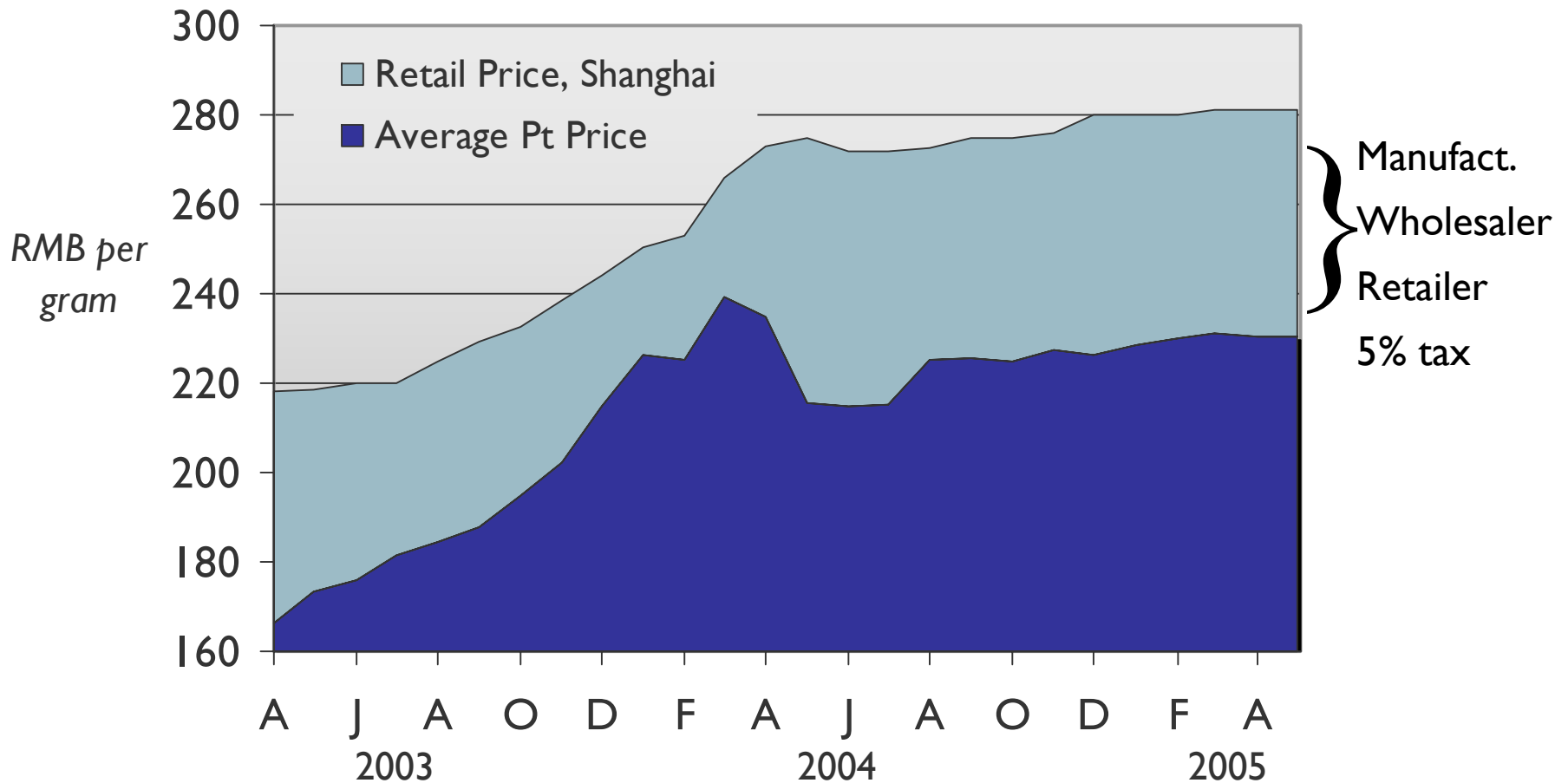


Fall in Chinese Jewellery Demand

down 19% to 1.01 million oz

- Rising platinum price affected manufacturers' profit margins and metal financing costs
- Inventories of platinum jewellery reduced throughout the trade
- Many manufacturers began production of more profitable palladium jewellery
- Increased competition from white gold and palladium in provincial cities
- But size of market previously underestimated, diamond-set and bridal sectors developing

Fall in Chinese Jewellery Demand



Jewellery Demand for Platinum: Other Markets

Japan: down 12% to 560,000 oz

- Strong competition from white gold
- Inventory recycling persists at high rates

North America: down 9% to 290,000 oz

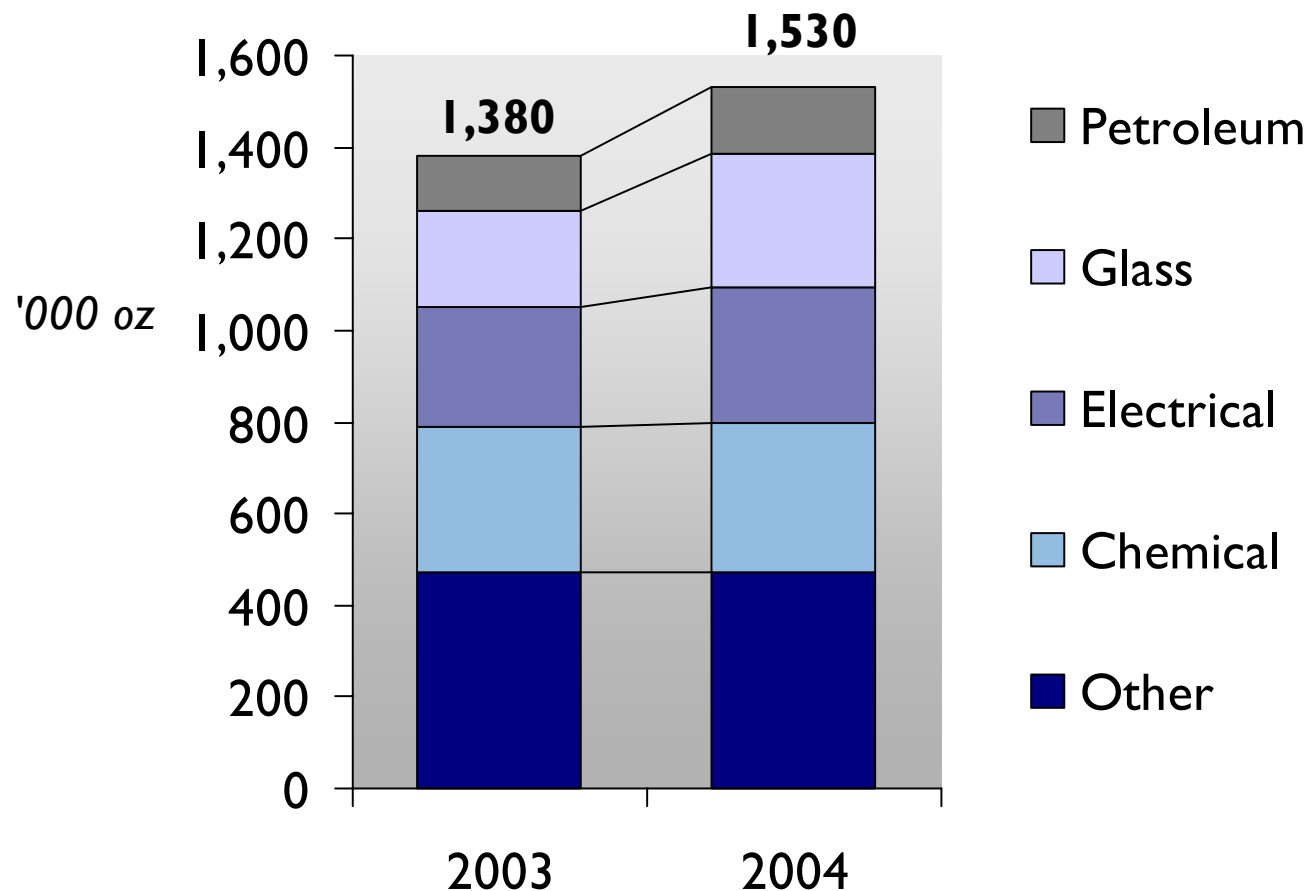
- High platinum price pressures sales at lower end of US market

Europe: up 8% to 205,000 oz

- Further growth in UK market plus strong sales of Swiss watches

Platinum Demand by Application

Industrial: +11%

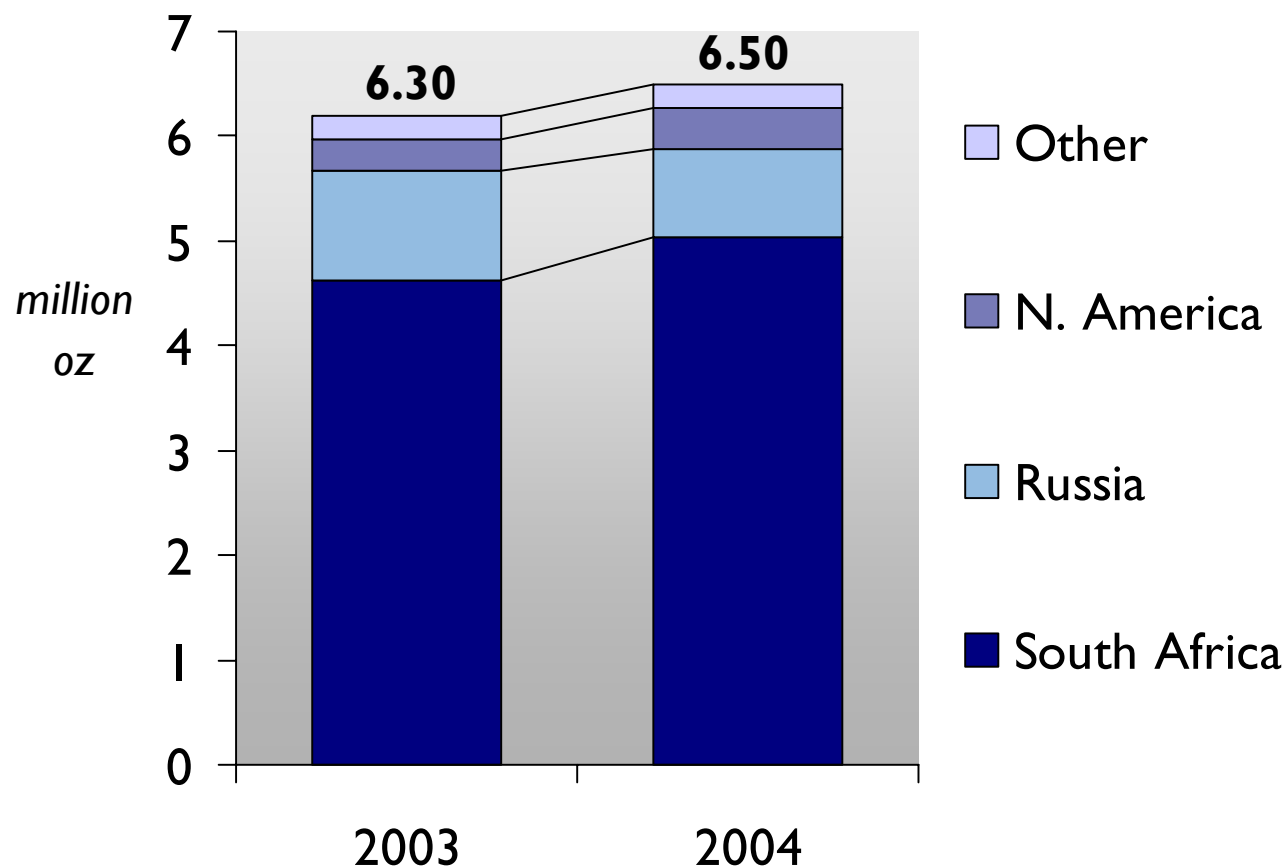


Platinum Demand by Application

'000 oz	2003	2004	% change
Autocatalyst: gross	3,270	3,510	7
recovery	(645)	(700)	9
Jewellery	2,510	2,200	(12)
Industrial	1,380	1,530	11
Investment	15	40	
TOTAL DEMAND	6,530	6,580	1

Platinum Supply by Region

Total supply: +5%



Platinum Supply by Region

South Africa: up 9% to 5.03 million oz

- Output exceeds expectations; higher production from most major producers
- Rand strength & other cost pressures cause further revisions to expansion plans

Russia: down 19% to 850,000 oz

- Sales drop back to reflect mine production

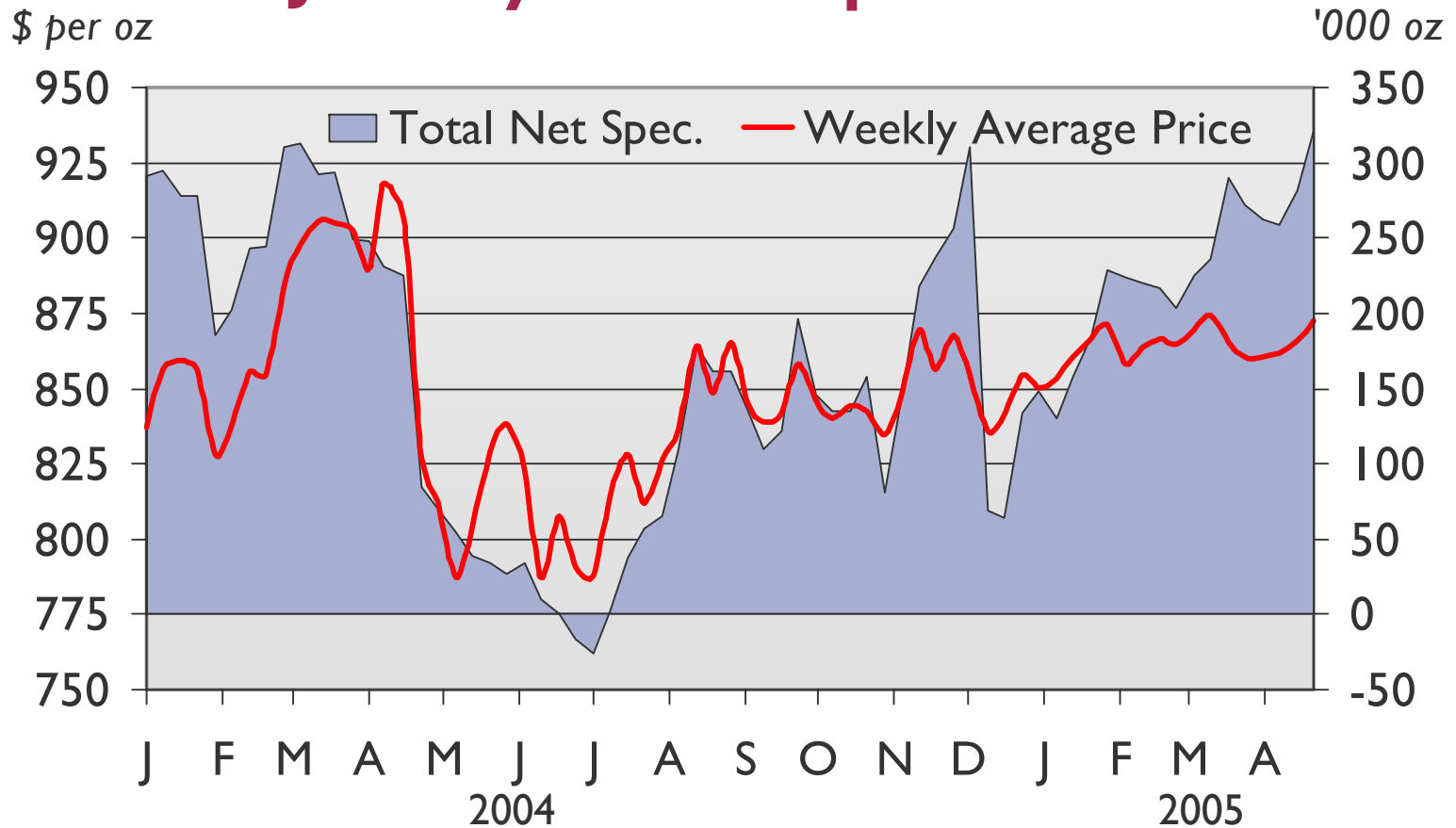
North America: up 31% to 385,000 oz

- Strong recovery in output at Inco

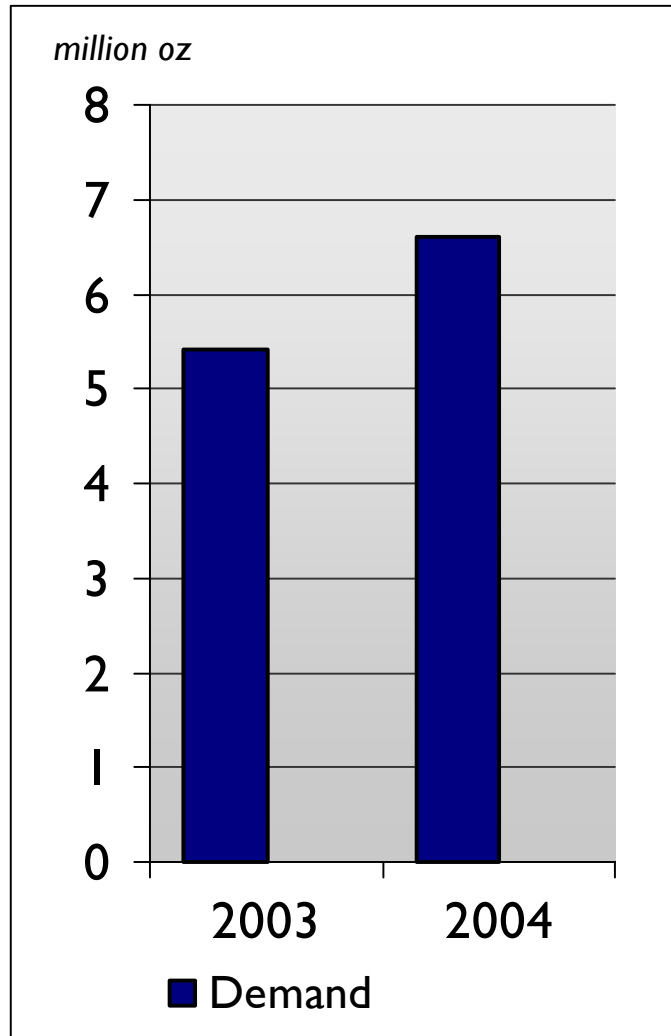
Platinum Supply and Demand

'000 oz	2003	2004	%
Demand	6,530	6,580	+1
Supply	6,200	6,500	+5
Movements in stocks	(330)	(80)	

Platinum price vs NYMEX net speculative position January 2004 – April 2005

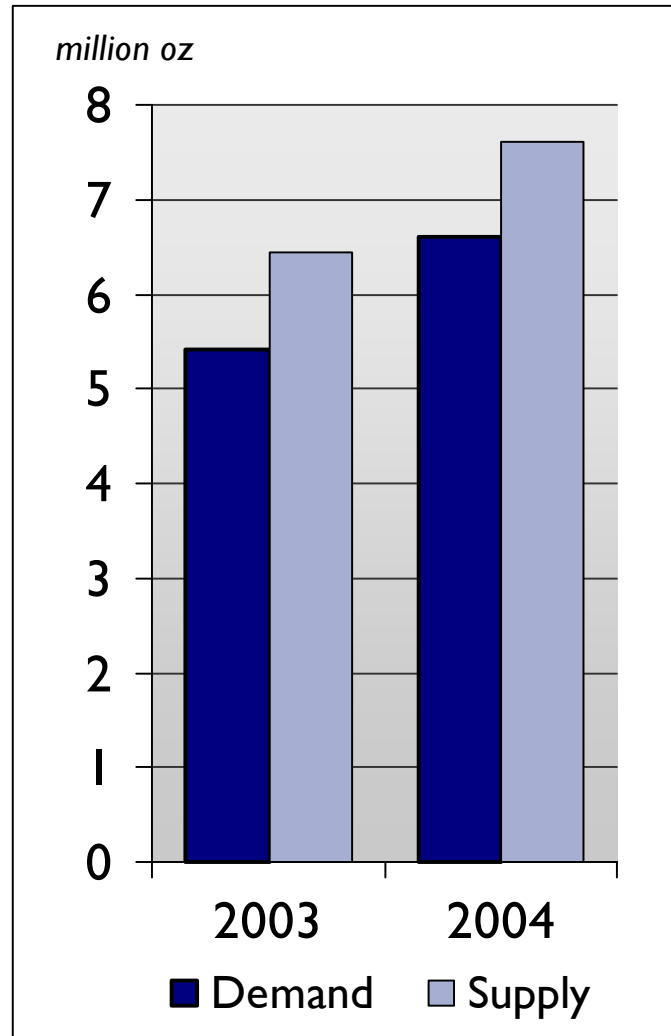


Palladium Demand + 22%



- Demand jumps to 6.6 million oz
- Autocatalyst & electronics purchases improve
- Production of palladium jewellery in China develops rapidly

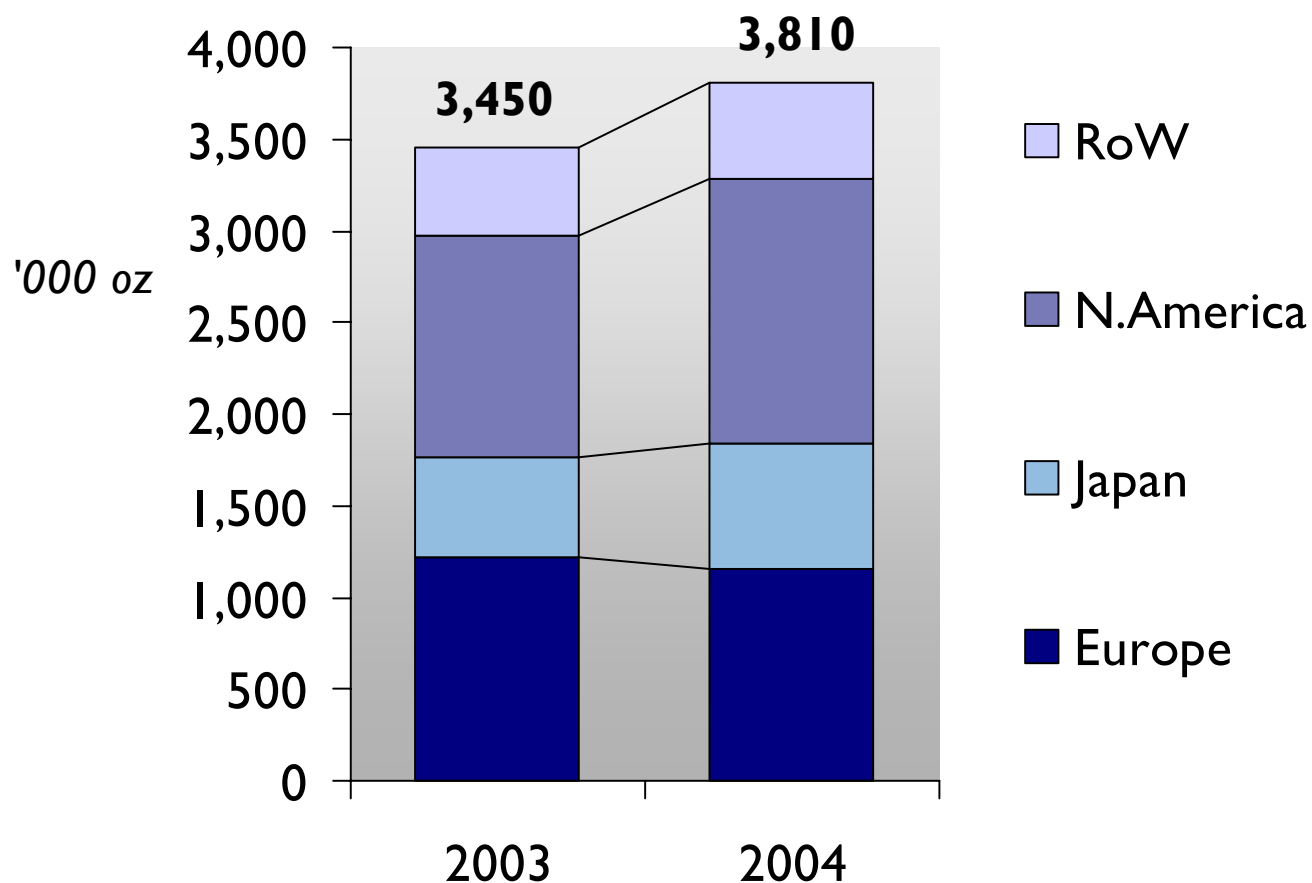
Palladium Supply + 18%



- Supplies surge to 7.62 million oz
- Large sales from Russian stocks; increased mine production elsewhere
- Market remained heavily in surplus, price weakness persisted

Palladium Demand by Application

Autocatalyst: +10%



Autocatalyst Demand for Palladium

North America: up 20% to 1.445 million oz

- US automakers increased purchases, having run down inventories the previous year

Japan: up 23% to 675,000 oz

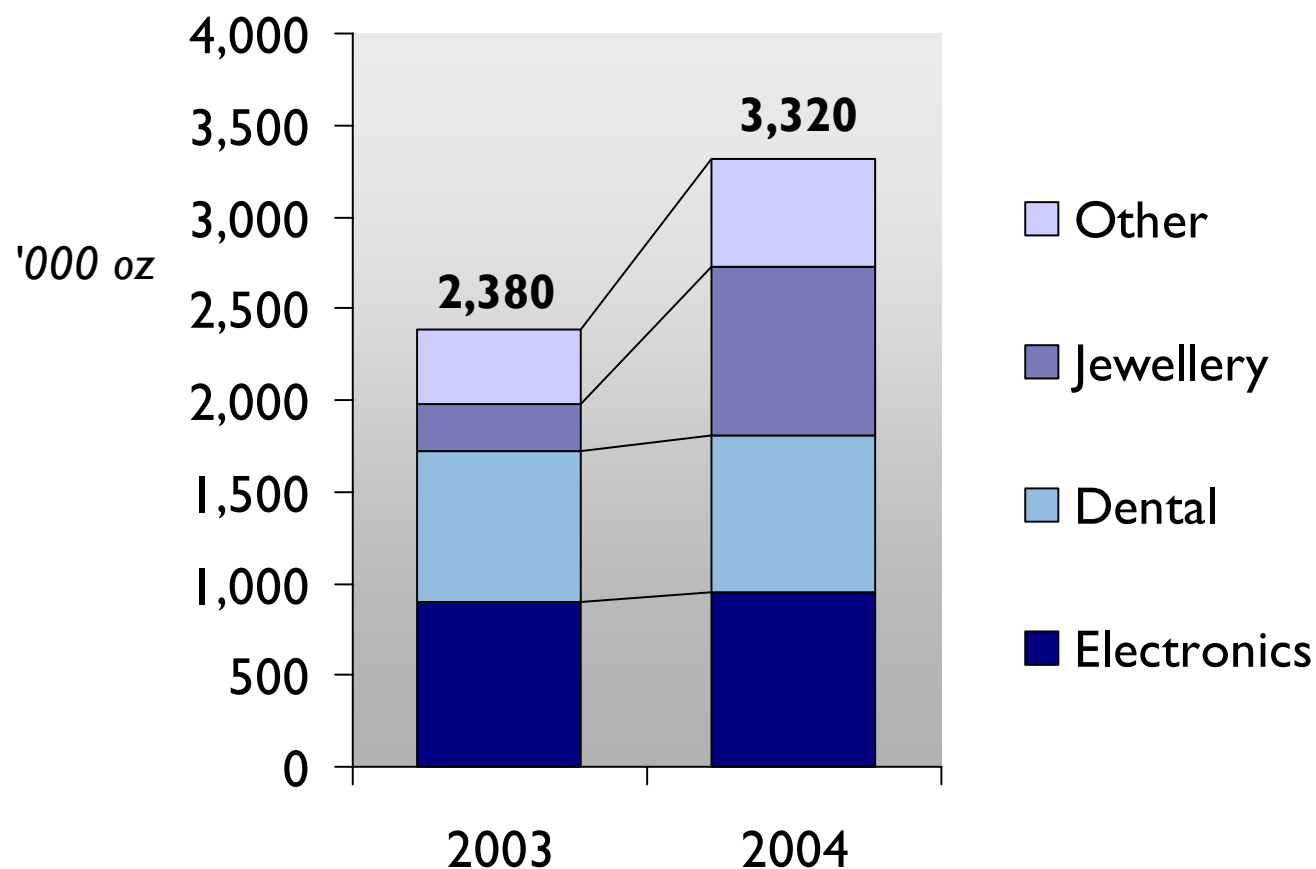
- Palladium demand climbed as substitution of platinum increased, emissions limits tightening

Europe: down 5% to 1.16 million oz

- Palladium demand fell for the fourth year as gasoline vehicle sales continued to slide

Palladium Demand by Application

Industrial, Jewellery & Other: +39%



Jewellery Demand for Palladium

Purchases climb to 920,000 oz

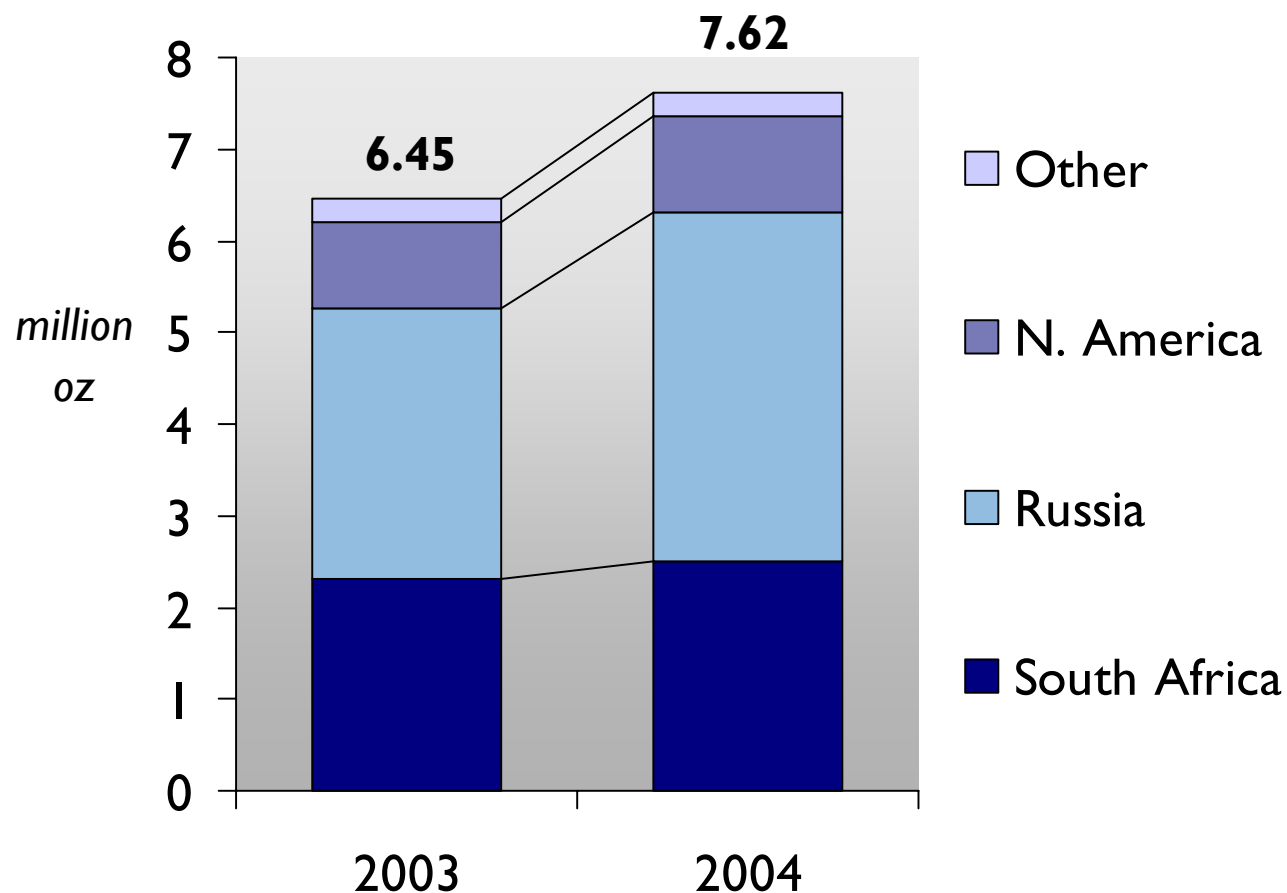
- Chinese manufacturers began mass producing palladium jewellery in Q1 2004
- Strong purchasing of metal in March/April as the jewellery trade stocked up
- Sales developed in second & third tier cities
- Low metal funding costs an advantage; retailers enjoyed good profit margins
- Chinese jewellery demand jumped to 700,000 oz

Palladium Demand by Application

'000 oz	2003	2004	% change
Autocatalyst: gross	3,450	3,810	10
recovery	(410)	(530)	29
Electronics	900	955	6
Dental	825	850	3
Jewellery	250	920	368
Other	405	595	47
TOTAL DEMAND	5,420	6,600	22

Palladium Supply by Region

Total supply: +18%



Palladium Supply by Region

Russia: up 29% to 3.8 million oz

- Norilsk mine production stable
- Total includes 375,000 oz of stock sold by Stillwater
- Large volume of metal shipped from State inventories

South Africa: up 8% to 2.5 million oz

- Production increased in line with expanding platinum output

North America: up 13% to 1.055 million oz

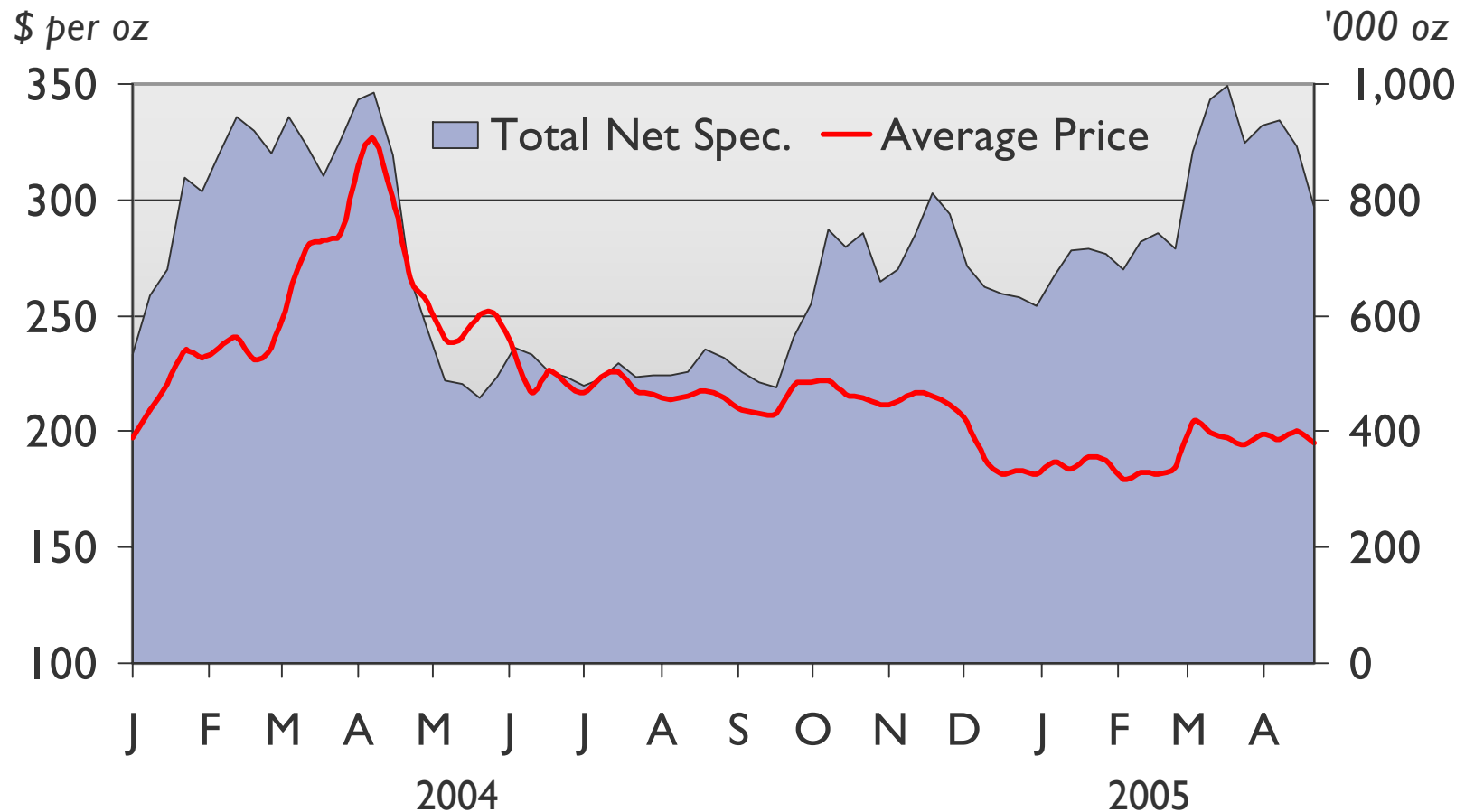
- Stronger production from North American Palladium
- Recovery in output at Inco

Palladium Supply and Demand

'000 oz	2003	2004	%
Demand	5,420	6,600	+22
Supply	6,450	7,620	+18
Movements in stocks	1,030	1,020	

Palladium price vs NYMEX net speculative position

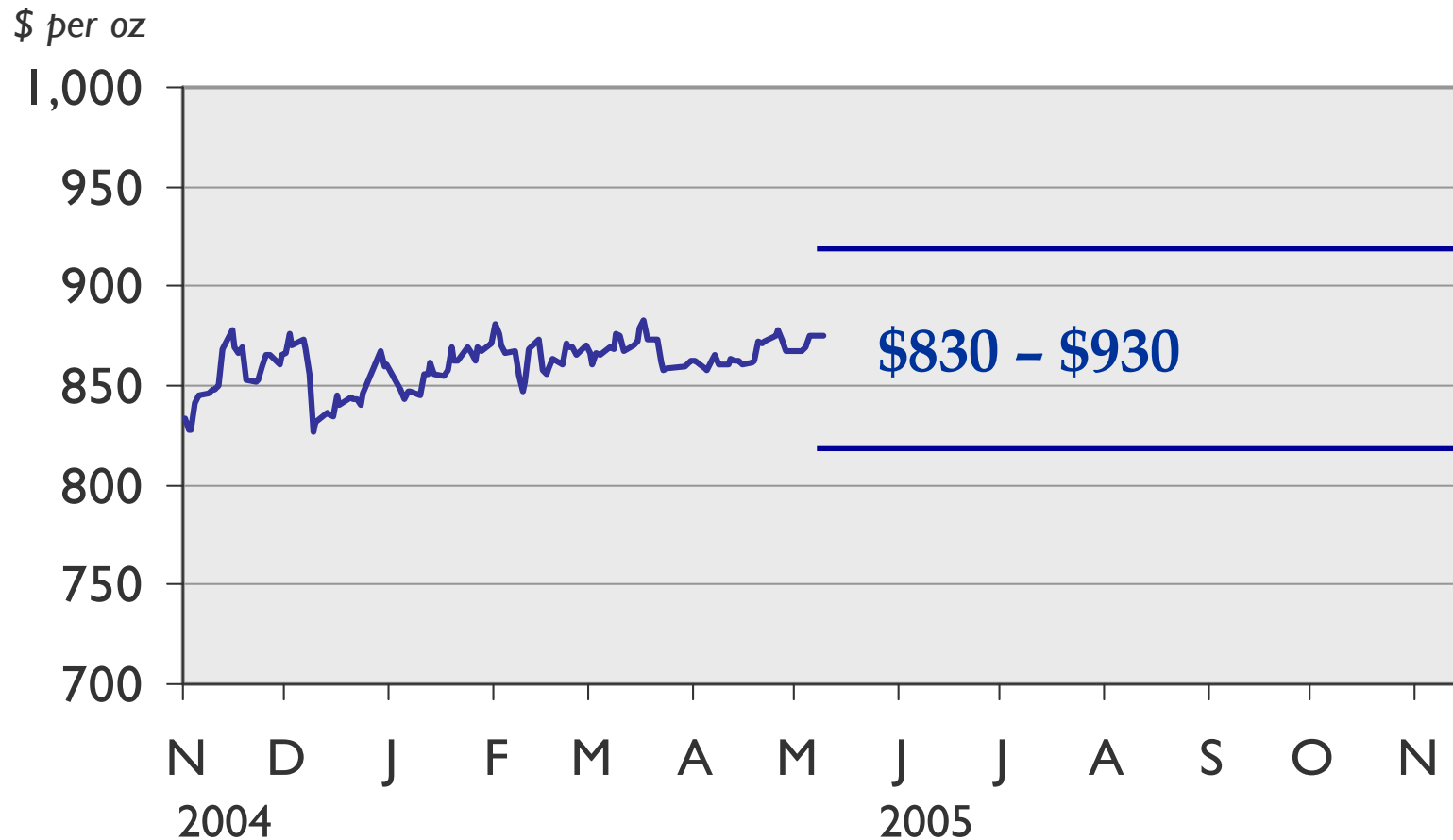
January 2004 – April 2005



2005 Outlook - Platinum

- Diesels to drive further growth in autocatalyst demand
- Chinese jewellery market appears resilient, helped by less volatile price
- Industrial consumption to remain firm
- Rate of growth in supplies depends on South African expansions
- Market to remain close to balance

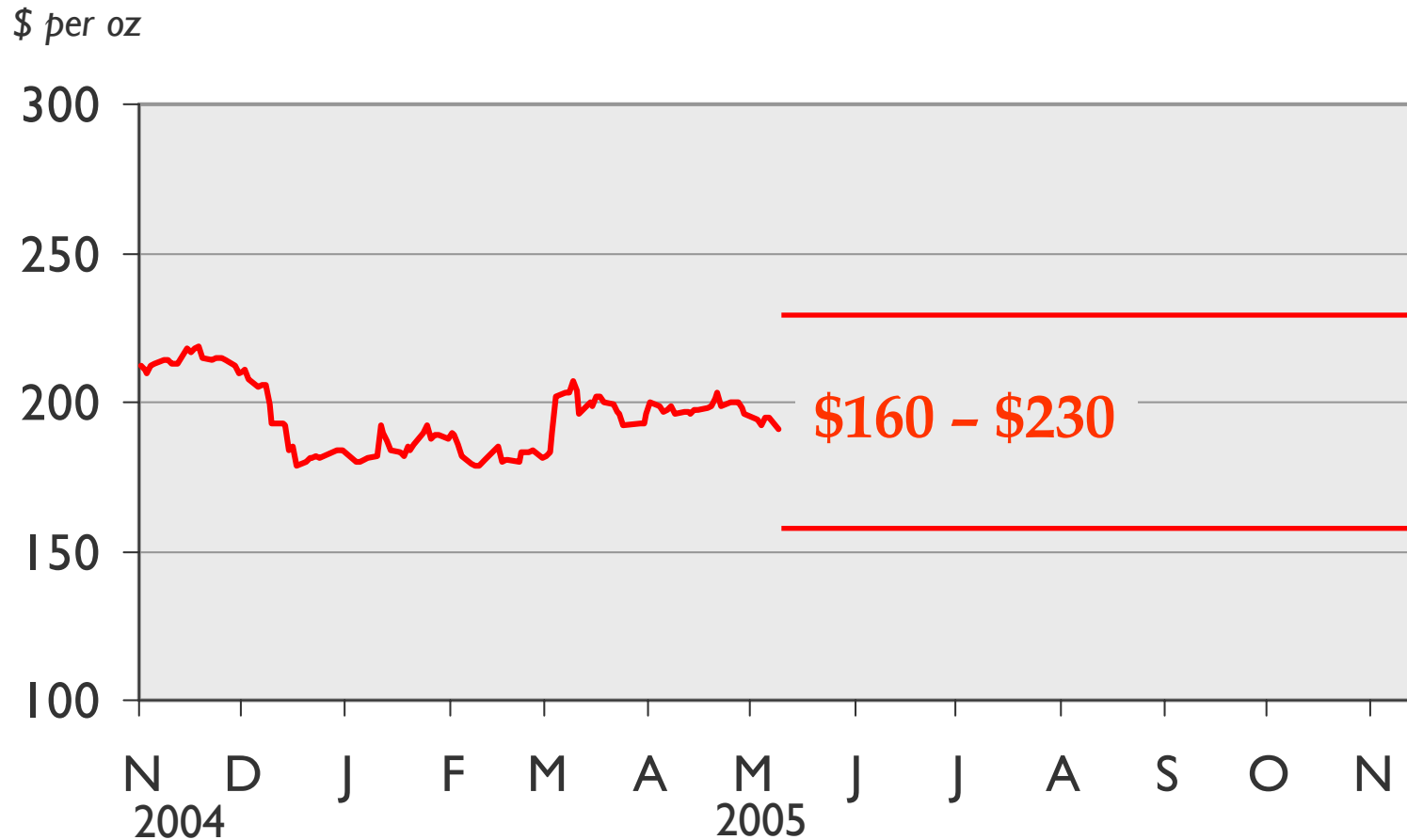
Forecast Platinum Price For The Next 6 Months



2005 Outlook - Palladium

- Total autocatalyst demand unlikely to change
- Significant increase in autocatalyst recovery
- Direction of Chinese jewellery market unclear
- Mine output to expand, sales from stocks to continue
- Market surplus expected to persist

Forecast Palladium Price For The Next 6 Months





Johnson Matthey

Platinum 2005



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