



Johnson Matthey

# Platinum 2006



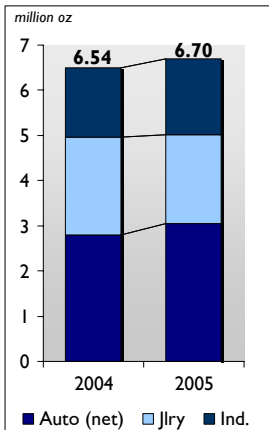
15th May 2006

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Mike Steel . . .

Welcome everybody. I am going to go through the usual presentation procedure with some comments about platinum first, and then we shall move onto palladium. So let's get straight into it and talk about platinum and what we think happened last year. Then we'll move on to discuss what might happen this year.

# Platinum Demand



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- Total demand up 2% to 6.70 million oz
- Record demand from the autocatalyst sector
- Jewellery purchases fall to less than 2 million oz
- Glass and electrical uses push industrial demand to new high

Total demand for platinum in 2005 was up 2% at 6.7 million oz and that change was made up of a mixture of opposing things.

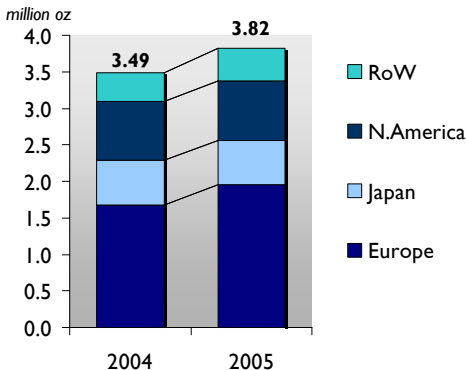
We saw record demand from the autocatalyst sector – and we shall talk about that in more detail shortly.

On the other hand, jewellery purchases fell to less than 2 million oz - the first time for several years that we have been under that particular level.

On the industrial side we saw the demand up again to a new high figure, and this was mainly related to the demand in the glass and the electronics sector.

# Platinum Demand: Autocatalyst

Up 9% to 3.82 million oz



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Let us talk first about the autocatalyst sector, where demand was up 9% at 3.82 million oz. Chart 3 shows that this was very much a European story and I want to talk about that first of all.

# Platinum Demand: Autocatalyst

## Europe: up 17% to 1.96 million oz



Euro IV regulations

Increasing fitment of CSF

Sales of diesels continue to grow

Demand in Europe was up 17% to 1.96 million oz and this is really all about diesels. The diesel story was driven to a certain extent by legislation, because the Euro 4 regulations came into operation for new models; these regulations will apply to all vehicles later this year.

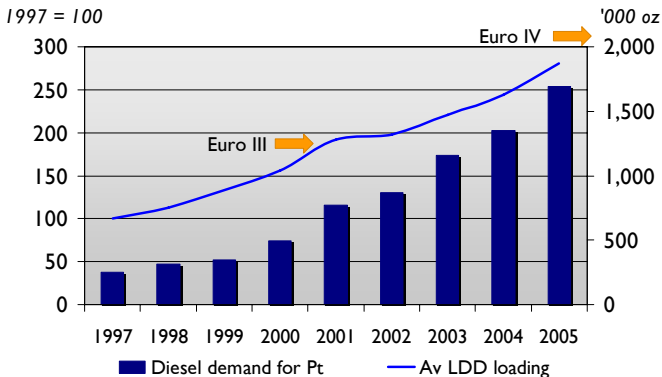
A brief word on terminology: in Platinum 2006 we have described the emission control technology for particulates as CSF - catalyzed soot filters. In the past, we used the term diesel particulate filters, but some of these did not actually have a catalyst on them, relying on additions (such as rare earths metals) to the fuel to help burn off the particulates trapped on the filter. In contrast, CSF do contain platinum in the filter for this purpose.

What we saw beginning last year, and accelerating this year, is the use of these catalyzed soot filters where the key catalytic metal is platinum. They may not be essential to meet Euro 4 regulations, because many cars can meet the standards without a CSF, but there is very strong demand from environmentally-aware consumers to have them fitted as an optional extra. In addition, we are also seeing a lot of CSF being fitted as standard by some few manufacturers.

The last reason for the increase is that the market share taken by diesels is continuing to grow. It was up to almost 50% last year in Western Europe and probably would have been higher if more diesels fitted with catalytic filters had been available – some consumers held off purchasing until CSF-fitted cars became available.

# Platinum Demand: Autocatalyst

## Europe: 1997-2005



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This chart summarises the growth of platinum demand for autocatalyst in Europe over the past nine years. The bars in the chart show the amount of platinum demand for diesels in Europe over that time has gone up from 510,000 oz in 1997 to 1.96 million oz last year.

# Platinum Demand: Autocatalyst

**North America: up 2.5% to 820,000 oz**

HDD retrofit, changes in market share

**Japan: down 3% to 595,000 oz**

Higher HDD demand and increased vehicle output but no stock build

**China + RoW: up 13% to 445,000 oz**

Vehicle production up, tighter emissions limits

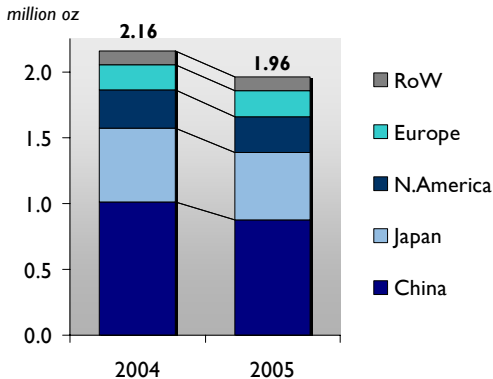
If we now look at the other geographical sectors, we can see that demand in North America was up by 2.5% at 820,000 oz. That increase was largely to do with some retrofit for heavy duty diesel and also some changes in market share. The significance of the last point is that the traditional 'Big 3' US-owned auto manufacturers in North America lost some market share to transplant factories, which tend to use a little more platinum per vehicle.

In Japan on the other hand, we saw a 3% reduction in demand to 595,000 oz, although there was some increase for heavy duty diesel. What we did not see last year, as far as we can judge, was any stock building, whereas in 2004 we do believe there was stock building of platinum by some Japanese auto companies.

And finally, in China and the Rest of the World we saw a significant increase of 13% to 445,000 oz. That was due to increased vehicle production and to tighter emission standards in various countries.

# Platinum Demand: Jewellery

Down 9% to 1.96 million oz



That was the positive side of the platinum story for last year. The more negative side was jewellery, where we saw demand dropping by 9% to 1.96 million oz. As you can see, it was in China that we saw the biggest decrease and this is what I want to say a few words about now.

# Jewellery Demand: China

Down 13% to 875,000 oz

- High metal financing costs, price volatile
- Destocking & recycling by the trade increases
- Lower costs, greater margins on palladium & WG
- Retail sales affected by less choice, higher prices
- Inauspicious year for weddings: total bridal jewellery sales fall

Chinese demand was 13% down at 875,000 oz. There was a variety of reasons for that.

High metal financing costs, because of the price, and volatility in the price were factors; these also resulted in some de-stocking by the trade and some recycling of products that were not selling well at the time.

Another factor was that platinum came in for greater competition, with the greater margins and the lower costs of dealing with either palladium or white gold having a negative impact on platinum demand.

The de-stocking also resulted in less choice of products available in the retail outlets as far as platinum was concerned and this, together with higher prices, negatively affected consumers.

There was another special issue last year - the Chinese year covering most of 2005 was a so-called 'widow's year', which was a very inauspicious year for weddings and, as a result, total sales of bridal jewellery fell.

# Jewellery Demand: Elsewhere

## Platinum price affects demand

Japan: down 9% to 510,000 oz

Recycling up, stocks down

Consumers trading in old jewellery

North America: down 5% to 275,000 oz

Europe: unchanged at 195,000 oz

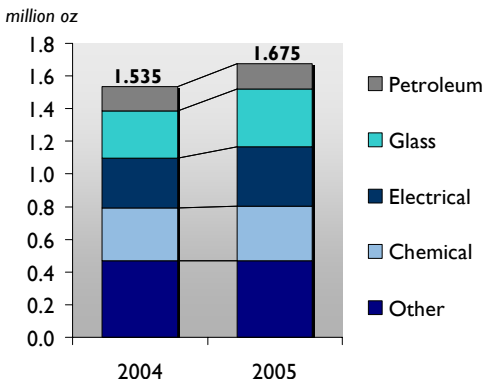
The high price of platinum also had an impact elsewhere. Demand in Japan was 9% down at 510,000 oz. We saw here again this issue of recycling and reduction in stocks, and consumers trading in old jewellery. The latter is something that happens in other countries, especially China, but is a relatively new phenomenon in Japan.

North America demand was 5% down, although here there was a very mixed picture with the demand being quite strong at the top end of the market, in terms of good sales of expensive items, but the high price making it difficult for platinum to expand into the fashion jewellery sector.

In Europe, jewellery demand was virtually unchanged and I think we have the UK to thank for that - platinum demand was still very strong in the UK.

# Platinum Demand: Industrial

## Up 9% to 1.675 million oz



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The third of our main sectors is industrial demand. Demand in 2005 was up 9% to 1.675 million oz. This is the highest figure that we have ever seen in the industrial sector and the increase was spread over a variety of the different applications.

One of the largest elements of industrial demand is what we term 'Other Applications'. Over the years, we have had many questions about what is included in this classification. To help answer that, this year's review contains a special feature on Other Applications, which I hope will be helpful in explaining what is included.

# Platinum Demand: Industrial

## Driven by LCD glass and hard disks

**Glass demand up 22% to 355,000 oz**

Construction of LCD glass furnaces  
in Asia continued at rapid pace

**Electrical demand up 20% to 360,000 oz**

Soaring sales of consumer products  
containing hard disks

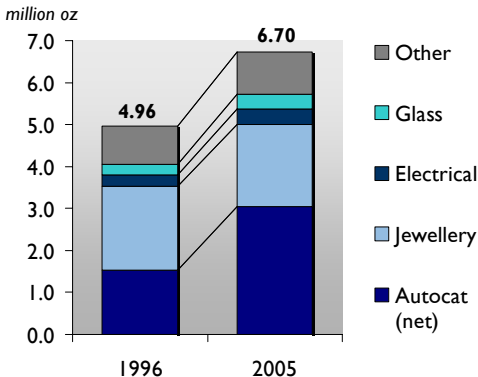
There were two industrial sectors that did particularly well in 2005: the glass and electrical sectors.

In the glass sector we saw an increase of 22%, with demand rising to 35,000 oz as a result of continuing construction of glass melting equipment for the production of high-quality glass for liquid crystal displays. This occurred primarily in Asia, especially in Japan, Korea and Taiwan.

Also demand for platinum in the electrical sector grew by 20% to 360,000 oz. This was the result of soaring sales of consumer products containing hard disks. Platinum is vital to the data storage capability of hard disks, the application of which has gone beyond just computers and is now essential into many other consumer electronic products.

# Platinum Demand: 1996 vs. 2005

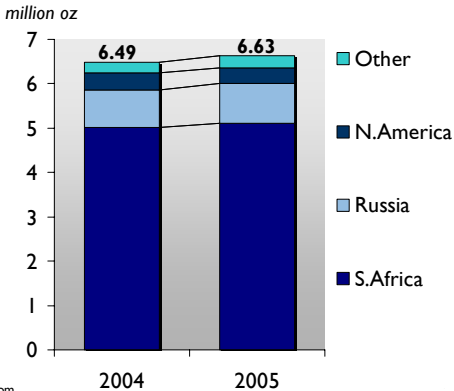
## Autocatalyst demand doubled



We give 10 years of historical data in Johnson Matthey's reviews and this chart shows what I think is an interesting comparison of demand at the beginning and end of the last ten year period. You can see that total demand has gone up from 4.96 to 6.7 million oz, with autocatalyst more than doubling, and that is on a net basis (i.e. after allowing for autocatalyst scrap recovery).

# Platinum Supply

## Up 2% to 6.63 million oz



Turning now to the supply side, supplies of platinum in 2005 were 2% up at 6.63 million oz. As this chart shows, South Africa is the key element of the platinum supply sector.

# Platinum Supply: South Africa

Up 2% to 5.11 million oz

- Pipeline stocks increase at Anglo Platinum
- More difficult conditions at some older Western Bushveld mines
- Progress on Eastern Bushveld still slow

Supply from South Africa was also up 2%, at 5.11 million oz. This could have been higher, but Anglo Platinum fell a little behind its plan because of problems it had at its Polokwane smelter in September last year.

Some of the older, and deeper, Western Bushveld mines also experienced difficult mining conditions and this also hampered supply growth.

On the Eastern Bushveld, which contains a lot of new and potential projects, most, but not all, of the new mines advanced slightly slower than originally planned.

# Platinum Supply Elsewhere

net change: +40,000 oz

**Russia: up 8% to 890,000 oz**

Pipeline release at Norilsk Nickel in H2

**North America: down 6% to 360,000 oz**

Minor changes at Falco, NaPd, Inco

**Zimbabwe: up 6% to 155,000 oz**

Political/economic uncertainties increase

Looking elsewhere, platinum supply was 40,000 oz up from the previous year. We estimate that Russian supply was 8% up at 890,000 oz. Most people will be aware by now that Norilsk Nickel published its production statistics for the first time last year. The company produced 751,000 oz of platinum in 2005, which was higher than many of us expected and higher too than the Norilsk originally expected, based on the figures for their first half of 2005 that were published in September last year. We think that this unexpected increase was a one-off release of metal from their pipeline due to some process changes. This is partly based on the fact that their quarterly nickel and copper production did not change at all during the year, whereas the platinum group metals production was significantly up in the second half.

North America platinum production in 2005 was 6% down at 360,000 oz, with minor changes at most of the producers in that region.

Supplies from Zimbabwe were up by 6% to 155,000 oz: political and economic uncertainties in Zimbabwe have increased and this will almost certainly have an impact going further ahead.

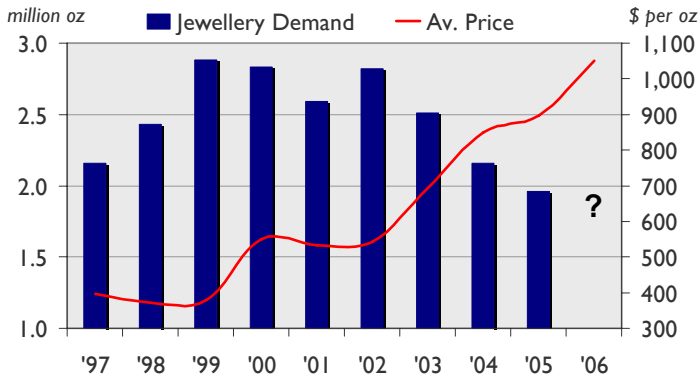
# Platinum Supply and Demand

'000 oz	2004	2005	%
<b>Demand</b>	<b>6,540</b>	<b>6,700</b>	<b>+2</b>
<b>Supply</b>	<b>6,490</b>	<b>6,630</b>	<b>+2</b>
<b>Movements in stocks</b>	<b>(50)</b>	<b>(70)</b>	

To summarise, total demand for platinum was up 2% and as supply was also up by 2% there was, therefore, very little change in the balance. We were still in deficit in 2005, with a modest shortfall of 70,000 oz for the year.

# Platinum Outlook: Jewellery

Trade discomfort growing as price rises



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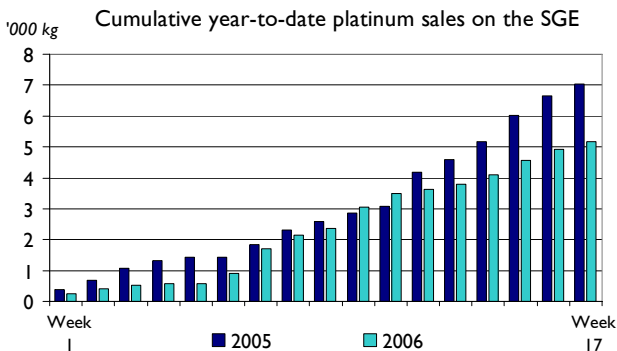


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Let us now turn to the outlook for platinum. Certainly, as a reaction to the high platinum prices that we have seen, there is no question that trade discomfort in the jewellery sector is growing as the price rises – this chart illustrates this and should not be a surprise to anyone.

# Platinum Outlook: Jewellery

## Chinese purchases lagging last year



If we look at the Chinese situation in more detail, this chart shows purchases of platinum through the Shanghai Gold Exchange. We can see that for the first 17 weeks of this year sales have fallen behind the level of last year, with about 5 tons of platinum being sold across the Shanghai exchange compared with 7 tons in the same period of 2005. So there is a significant decrease. On the other hand, demand has certainly not gone away completely. Some people have taken the view that the prices we have been seeing in recent weeks should have killed Chinese jewellery demand completely – and I think that I would have agreed with this three or four years ago. But even though the price is well over \$1,000, demand in China is still alive, with manufacturers still coming into the market to buy whenever prices drop.

# Platinum Outlook: Autocatalyst

## Further growth certain

- Diesels

  - Euro IV plus CSF in Europe

  - HDD regulations in North America

- Asia

  - Rising light vehicle output

  - Tightening emissions limits

Moving on to the outlook for autocatalyst, we certainly see further growth here and this remains very much a diesel issue. We are just at the beginning of the new, tougher Euro 4 legislation and the widespread fitting of catalysed filters (CSF) in Europe. This will add significantly to demand once again in 2006. In North America, we are seeing new heavy duty diesel regulations that apply to Model Year 2007 coming into play, as a portion of these vehicles will be produced this year.

And in Asia, a combination of rising light vehicle production and tightening emission standards will add to demand for platinum.

# Platinum Outlook: Supply

## South Africa remains key to growth

- Pipeline release due from Anglo Platinum
- Higher output expected from both new and established mines
- Only minor increases from Zimbabwe and N. America

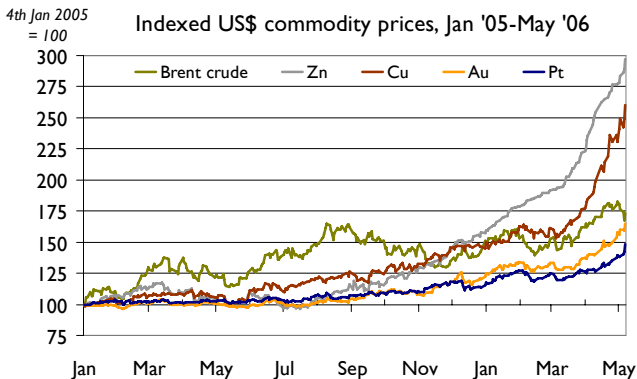
If we look now at the outlook for supply, South Africa remains the key to growth. We will see more metal coming from Anglo Platinum: they announced at the time of their annual results in February that they expected to get 124,000 oz of platinum out of their pipeline this year, mostly in the first half of this year.

We also expect higher output from both established mines and some new mines, with the first output from Aquarius Platinum's Everest mine and output from the Two Rivers joint venture between ARM Platinum and Impala.

Elsewhere, there should be some increases in Zimbabwe and North America, though not dramatic changes.

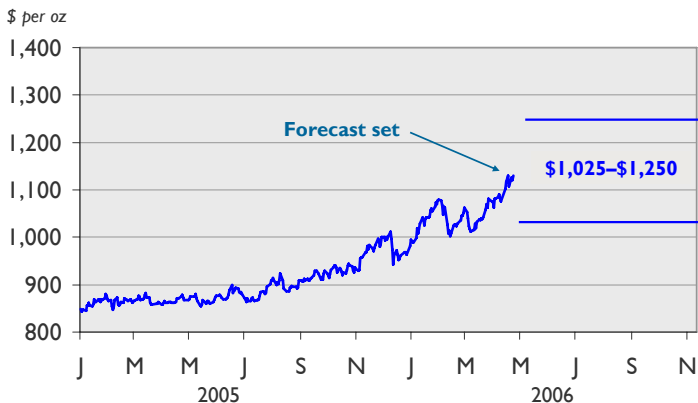
# Platinum Outlook: Price

## Swimming with the commodities tide



What can we say about the outlook for the price of platinum? As you can see, we have added a subtitle to this chart - "Swimming with the commodities tide." It is important to recognize that although we tend to concentrate on our own markets and how much prices have changed over the last 15-18 months, the increase in the platinum price has been relatively modest compared to the changes seen for some of the other metals, especially zinc and copper, as this chart shows.

# Platinum Outlook: Price Forecast For The Next 6 Months



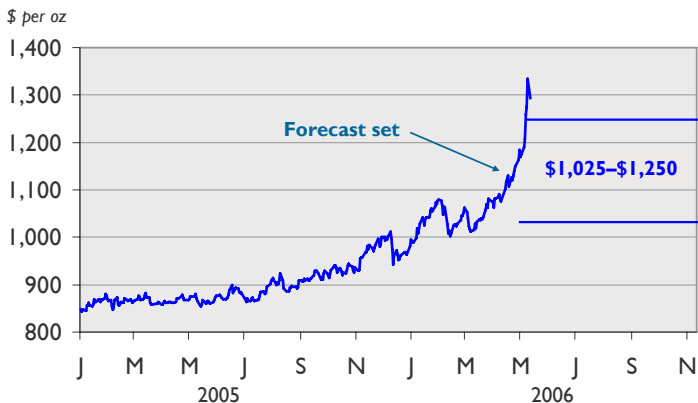
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There is no doubt that the excitement surrounding commodities, and the huge amount of money that has been put into commodities, is having an impact on our market. Against this sort of background you might say that only a fool would forecast the price. But we shall try.

At the time we set our price range, on 27th April, the platinum price was \$1,140. At that time, we felt comfortable with a range of \$1,025 to \$1,250. I guess that if you continue the analogy of swimming with the commodities tide further, we have to admit that we are underwater already.

# Platinum Outlook: Price Forecast For The Next 6 Months

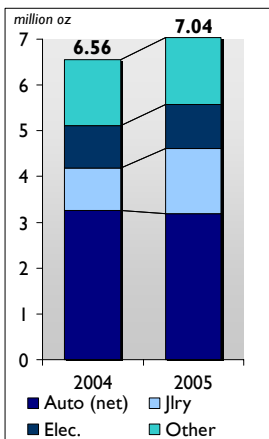


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This chart shows the way the platinum price has moved recently, with a tremendous increase over the last few weeks. In fact, when I look at this chart it reminds me of one of our absent colleagues, namely Rene Hochreiter of Nedcor Securities, who many of you will know has been on an expedition to climb Mount Everest. I cannot help thinking that this price progression in is much like the sheer Lhotse face of that mountain. Some of you may be aware that, unfortunately, in the last couple of days Rene has had to turn back from his Everest attempt suffering from the ill health and frostbite, but he did reach a height of 6,500 metres which I think is his personal record and two of his colleagues have already reached 7,500 metres. When I look at those numbers and if I ignore the units, I am tempted to think we are talking about rhodium rather than platinum!

# Palladium Demand



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- Total demand grows 7% to 7.04 million oz
- Autocatalyst demand mixed – up in Asia, down in USA & Europe
- Jewellery becomes the second largest application
- Industrial & investment demand increases

Let's move quickly onto palladium. In 2005 total demand grew by 7% to 7.04 million oz.

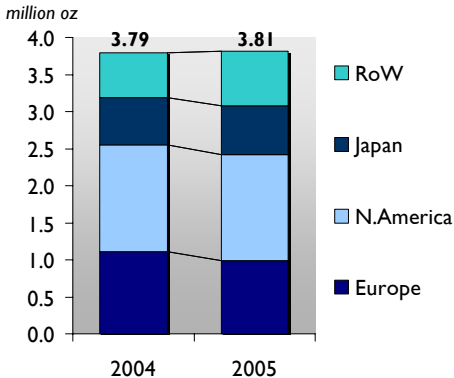
Autocatalyst demand was mixed - up in some areas, down in others.

Jewellery has now become the second largest application for palladium.

We also saw increases last year in both the industrial sector and for investment.

# Palladium Demand: Autocatalyst

## Up marginally to 3.81 million oz



Autocatalyst demand was only marginally up for the year. This may surprise some people who may have been expecting a larger increase on the back of switching from platinum to palladium in autocatalysts.

# Autocatalyst Demand for Palladium

**North America: down 1% to 1.43 million oz**

Thrifting, lower production of SUVs / light trucks

**Europe: down 10% to 990,000 oz**

Thrifting plus lower gasoline vehicle output

**Japan: up 4% to 660,000 oz**

Higher vehicle output, lower emissions

**China + RoW: up 21% to 705,000 oz**

Rising vehicle production, tighter emissions limits

Increased substitution of platinum

Demand in North America was down marginally at 1.43 million oz. The reason for this was further thrifting of palladium from very heavily loaded catalysts, and also lower production of sports utility vehicles and other light trucks (the vehicles which tend to carry the most heavily loaded catalysts).

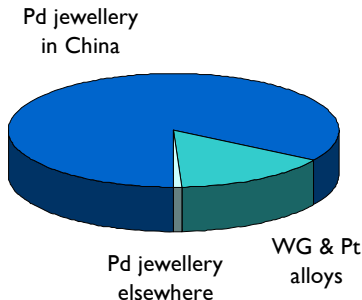
European demand was down by a greater amount - by 10% to 990,000 oz, this was due to a combination of catalyst thrifting and lower sales of gasoline cars, which outweighed any switching from platinum to palladium.

On the other hand, Japan was up 4% to 660,000 oz. This was due to higher vehicle output and tighter emission standards.

The country where we saw the biggest increase in palladium demand was China which, combined with the Rest of the World region, saw demand 21% up at 705,000 ounces. This was due to tighter emission limits and we also saw a significant amount of substitution of platinum by palladium.

# Palladium Demand: Jewellery

Up 54% to 1.43 million oz



Jewellery is now the second largest demand sector for palladium and demand was up by 54% in 2005 to 1.43 million oz. Although this sector is essentially a story of jewellery in China we must remember that not all the palladium in jewellery is used to make pure palladium products. There is only a very small amount of demand for pure palladium jewellery outside China at the moment, but palladium has been used for many years in platinum alloys, especially in Japan, and in white gold alloys, especially in Europe where the use of nickel as a whitening agent is not allowed.

# Palladium Demand: Jewellery

## Chinese purchases jump to 1.2 million oz

- Wholesale and retail stocks continue to grow as Pd market penetration spreads
- Pd 990 increasingly stocked alongside Pd 950
- Manufacturers like:
  - low metal funding costs, less volatile price
  - lower density = higher productivity
- Retailers like:
  - inexpensive to stock, greater margins
  - lower price = higher sales

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The Chinese market is, however, by far the most important sector for palladium in jewellery. Purchases of palladium in 2005 jumped to 1.2 million oz.

What we saw last year was a significant growth in wholesale and retail stocks of palladium products as the palladium penetration into the marketplace increased.

At the time of the original move into palladium in China in 2004, the jewellery alloy used was mainly Pd-950 (ie 95% purity); last year we saw an increasing amount of Pd-990 alloy used in manufactured and being introduced into the retail outlets.

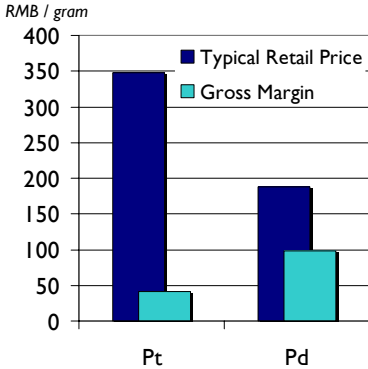
Why are Chinese people so keen on palladium?

Well, the manufacturers like the relatively low metal funding costs and, certainly for most of last year, the less volatile price. They also like the fact that palladium's lower density means that for a set weight of metal, one can produce a greater number of same sized (in volume terms) products.

For retailers, palladium products are less expensive to stock, give greater margins and the lower price tends to translate into higher sales. This chart compares typical retail prices and gross margin and indicates clearly the benefits to many companies in the chain for using palladium as compared with platinum.

# Palladium Demand: Jewellery

## Chinese retail sales develop



- Consumers like:
  - Purity: Pd 990
  - Affordability
  - Whiteness
  - Association with Pt
  - Good investment?

Consumers of course are the key to this market, and they like the purity aspect of palladium. This is something that seems to appeal strongly in China.

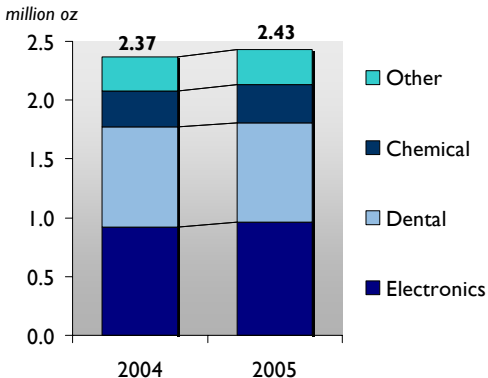
Palladium jewellery is more affordable, relatively speaking, and consumers like the whiteness of the product.

There is no doubt that white is still very much a favourite jewellery colour in China, as it is elsewhere.

The association with platinum is also seen as a benefit, and we are aware that in some cases palladium jewellery has been sold on an investment basis, with people being reminded or told about palladium having reached over \$1,000 an ounce not too many years ago.

# Palladium Demand: Other

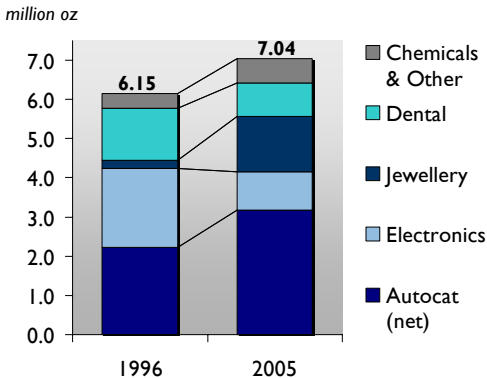
## Up 2.5% to 2.43 million oz



Briefly covering the other elements of palladium demand, up in total by 2.5% to 2.43 million oz. One thing to mention is that the 'Other' sector here includes investment demand and we saw around 220,000 oz going into investment products in North America in 2005, the second strong year in a row for this application. The remaining sectors – chemical, dental and electronics experienced relatively small growth in total.

# Palladium Demand: 1996 vs. 2005

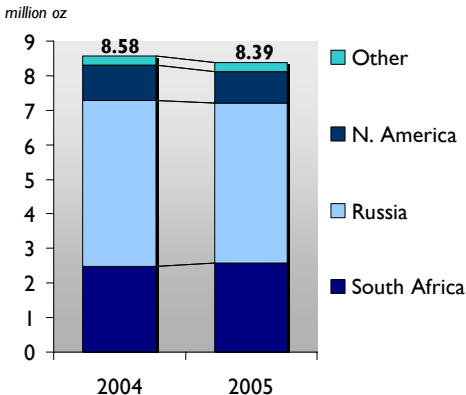
## A market transformed



As we did for platinum, we show in this chart how demand for palladium has changed over the past 10 years. The change in autocatalyst demand has been the most significant development over this period but jewellery has grown fast, though the latter is not a ten year phenomenon but only two year one so far. In contrast, two traditionally large elements of palladium demand - the electronics and the dental sectors - were severely affected by the palladium price of over \$1,000 that we experienced in early 2001 and demand has not recovered.

# Palladium Supply

## Down 2% to 8.39 million oz



Palladium supply was down by 2% in 2005 to 8.39 million oz. Palladium supply is very much a Russian story, as that country dominates supply of this metal.

# Palladium Supply: Russia

## Down 4% to 4.62 million oz

- Norilsk Nickel releases data:  
production of 3.13 million oz
- Substantial sales from State stocks  
at the end of the year
- Stillwater sells 439,000 oz of Russian metal

As mentioned earlier, Norilsk Nickel has released its production data for the first time and revealed production of 3.13 million oz of palladium in 2005. When considering Russia and palladium, one must also think about what has been happening with State stocks.

Towards the end of last year we saw some substantial sales from State stocks, much as we did at the end of 2004. In addition, Stillwater Mining sold 439,000 oz from the stock of palladium it received from Norilsk Nickel in exchange for shares back in 2003.

In total, we estimate that Russian supplies of palladium were down 4% to 4.62 million oz in 2005, mainly because we believe the sales from State stocks were less than in 2004. It is also interesting to note that some of the metal that was shipped out at the end of last year was almost certainly not sold until the beginning of 2006 – we have not included this in our supplies for last year.

# Palladium Supply Elsewhere

**South Africa: up 4% to 2.59 million oz**

- Production increasing in line with platinum output

**North America: down 13% to 905,000 oz**

- Difficult year for North American Palladium:  
low grades, mill problems, recoveries drop

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Elsewhere on palladium supplies, South African output, at 2.59 million oz, was up 4%, more or less in line with platinum output but North American supply was down by 13% last year to 905,000 oz. Last year was a very difficult one for North American Palladium with the mine suffering from low grades, mill problems and lower recoveries.

# Palladium Supply and Demand

'000 oz	2004	2005	%
<b>Demand</b>	<b>6,560</b>	<b>7,040</b>	<b>+7</b>
<b>Supply</b>	<b>8,580</b>	<b>8,390</b>	<b>-2</b>
<b>Movements in stocks</b>	<b>2,020</b>	<b>1,350</b>	

To summarise for palladium, total demand was 7% up at 7.04 million oz, while supply was 2% down at 8.39 million oz. This led to another extremely large 'movements in stock' figure (ie a surplus), but that metal was soaked up and did not have the negative impact on the price that one might have thought it should.

# Palladium Outlook: Autocatalyst

## Stronger growth forecast

- Thrifting to have less impact
- Further switching from Pt to Pd in gasoline vehicle catalysts
- Rising light vehicle production and tightening emissions limits in Asia
- Pd in diesel after-treatment to make a small contribution

How about the outlook for palladium for this year? We are forecasting stronger growth for palladium in autocatalysts. We think we are getting towards the end of the cycle of thrifting of palladium in catalysts that we have been experiencing particularly in North America.

In addition, we are still seeing some switching from platinum to palladium on gasoline catalysts; this tends to happen as new models are produced and so it is gradually working through the system.

And, as I have mentioned several times in this presentation, we continue to see increased light vehicle production and tightening emission standards in Asia.

We will also see for the first time this year in series production, some use of palladium in diesel catalysts, but it will be only a very small contributor to demand this year and not a significant factor in the marketplace for either platinum or palladium.

# Palladium Outlook: Jewellery

## Retail sales vs. metal purchases

- Potential for good retail sales growth in China:
  - first marketing campaign planned
  - price advantage over platinum widening
- But existing inventories may restrain growth in metal demand
- Several US & European manufacturers now looking at Pd

As for the jewellery sector, what is the outlook there? We think there is good potential for retail sales growth in China. There are signs of the first marketing campaigns being planned, and plainly the price advantage that palladium has over platinum is widening.

But a significant part of the increase in demand last year was related to the build up of pipeline stocks – necessary for putting the palladium jewellery products into the wholesale and retail sectors of the market. Stock building is less likely this year and this may therefore impact the growth in palladium demand that we might see this year.

On a more positive note, it is interesting that several US and some European jewellery manufacturers are also looking at using palladium for pure palladium jewellery.

# Palladium Outlook: Supply

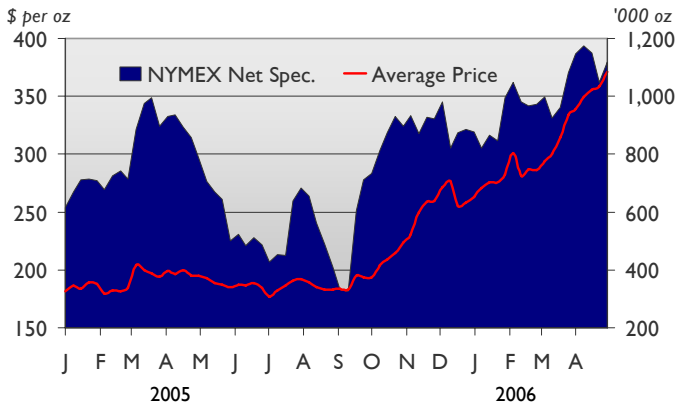
- Growth expected in South African & North American mine production
- Substantial shipments from Russian state stocks in Q1
- Stillwater sales of Russian metal completed

On the supply side there will be some growth in output from South Africa this year and we expect some recovery in North American line production.

Earlier I mentioned that some of the palladium from the Russian state stocks arrived in the West only in the first quarter of 2006 and were therefore probably not sold until this year. If this was so, we shall include that metal in our estimate of 2006 supplies.

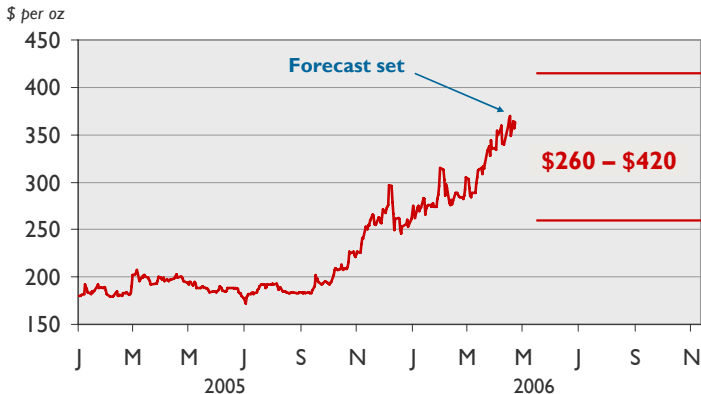
On the other hand, Stillwater has completed the sale of the last 63,000 oz of its stockpile of Russian metal so this source will be less of a factor this year. It is also worth mentioning is that Norilsk has forecast a decline in its output of palladium, from 3.13 million oz last year to somewhere between 2.9 and 2.95 million oz in 2006.

# Palladium Outlook: Price Don't look down...



This chart shows the price of palladium since January 2005 and, as anybody on a tightrope or halfway up Mount Everest might say: "Don't look down". Since September last year we have seen an enormous growth in price and a corresponding growth in speculative investment holdings, with the net speculative position on NYMEX now well over a million oz. OTC (Over the counter) positions are probably several times that level. Therefore, there are very considerable volumes of physical metal controlled by funds and these must have some impact on the market at some stage in the future.

# Palladium Outlook: Price Forecast For The Next 6 Months

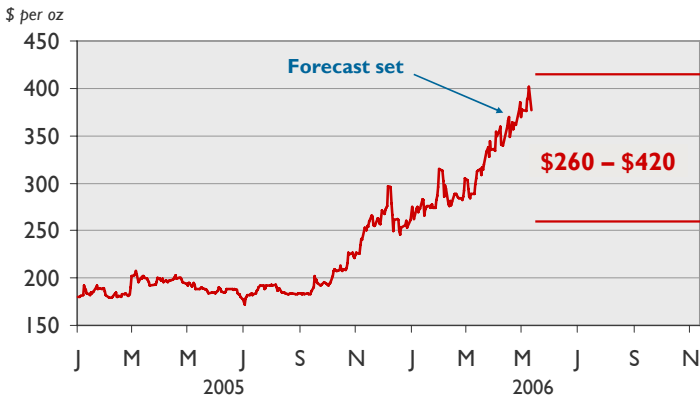


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At the time we made our price forecast palladium stood at \$360 and we felt a range of \$260 at the bottom and \$420 at the top seemed reasonable for the next six months.

# Palladium Outlook: Price Forecast For The Next 6 Months



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Although the price has come close to that top end in recent days, we still feel happy with our range.



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# Platinum 2006



15th May 2006

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Ladies and gentlemen, thank you very much for your attention; my colleagues and I will now try and answer any questions you may have.