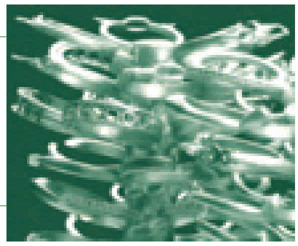
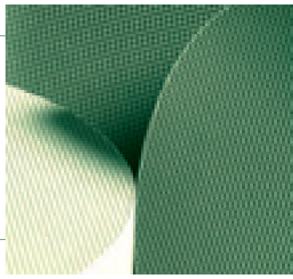
EXECUTIVE SUMMARY

The platinum market is forecast to be in deficit by 240,000 oz in 2008. Demand is set to fall by 2.3 per cent to 6.52 million ounces while platinum supply is expected to slip 4.2 per cent to 6.28 million ounces. Supply interruptions boosted the price to a record $2,276 in March. However, the onset of the global financial crisis in August led to huge fund sales and the price ended September at $1,004.



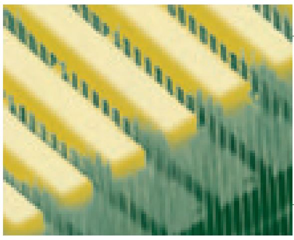
Net global jewellery demand will decrease by 340,000 oz to 1.12 million ounces this year. High metal prices in the first half of 2008 negatively affected the affordability of platinum jewellery and, as importantly, increased recycling rates in Asia. The rapid drop in the price from July to September allowed the industry to replenish stocks and reduced recycling volumes, stimulating a degree of recovery in demand.

Gross automotive platinum demand is expected to rise by 2.1 per cent to 4.23 million ounces in 2008. North American vehicle sales have weakened this year, with platinum demand in the region expected to fall by 305,000 oz to 540,000 oz.



However, this drop in North American usage will be outweighed by greater demand for platinum for diesel particulate filters in Europe and by continued growth in vehicle production in China and the Rest of the World region.

Net investment purchases of platinum are likely to fall to 145,000 oz in 2008, a decrease of 25,000 oz from 2007. Large amounts of metal were purchased through the Exchange Traded Funds in the first quarter but redemptions in July and August mean that net demand from these is set to fall to 130,000 oz. The Japanese market saw net disinvestment of large bars in early 2008 but strong demand in the third quarter.

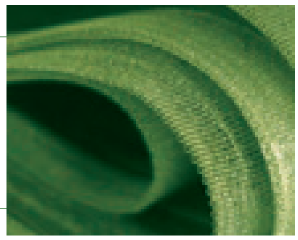


Industrial demand for platinum is expected to climb by 190,000 oz to a net global total of 2.00 million ounces in 2008. Global economic growth will drive demand in many sectors higher. Capacity will expand this year in the chemicals industry, fibre glass and LCD glass manufacturing and in the petroleum refining sector. Platinum demand will therefore rise in each of these areas.

Platinum supplies are forecast to decrease by 275,000 oz to 6.28 million ounces this year, the lowest total since 2003. Electricity supply problems, smelter outages, a lack of skilled staff and other

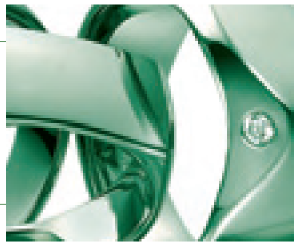
production challenges will depress South African output by 250,000 oz from 2007 levels. Production of platinum from Russia will fall too but North American and Zimbabwean output will rise.

The rhodium market is expected to be in deficit by 62,000 oz this year. Demand is set to drop by 5.6 per cent, to 810,000 oz, reflecting success in car makers' thrifting efforts and declining North American vehicle production. However, rhodium supplies will fall further, by 9.2 per cent, to 748,000 oz. The price soared to a record $10,100 in June but plummeted to end September at $4,350 on fund sales and weakening demand.

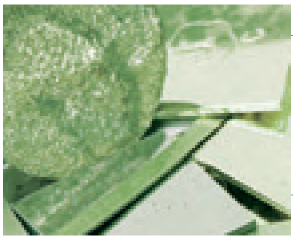


The palladium market will be in surplus by 320,000 oz in 2008, although this is a much smaller surplus than has been the case in recent years. Demand is forecast to rise by 3.8 per cent to 7.19 million ounces. Supplies of palladium are expected to fall by 12.5 per cent to 7.51 million ounces. The price peaked at $588 in March, its highest since 2001, but fell to end September at $199 due to heavy fund sales.

Net demand for palladium from the jewellery sector will rise by 55,000 oz to 780,000 oz in 2008, reversing two years of decline. A reduction in recycling of old stock in China and good interest from manufacturers and retailers will help boost demand there. More palladium jewellery will also be manufactured and sold in Europe and North America than in the previous year.



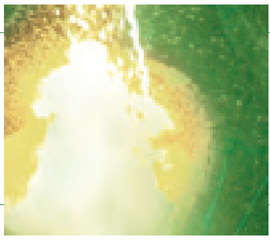
Gross demand from the global automotive sector will rise by 30,000 oz to a total of 4.58 million ounces in 2008. North American demand will fall by 350,000 oz as production volumes decline. However, this will be outweighed by increased use of palladium alongside platinum in the diesel sector in Europe and by growth in production in China, Russia and South America.



Industrial and other demand for palladium should increase by 85,000 oz to 2.44 million ounces in 2008. Global economic growth will encourage higher palladium usage in the electronic and chemical sectors. Demand for palladium from the dental sector will fall 5,000 oz as a decline in European consumption outweighs the increased demand for palladium for lower-gold content dental alloys in North America.

Palladium investment demand will rise strongly in 2008, to an estimated 470,000 oz, up 210,000 oz from last year. Most of this – 430,000 oz – will be from metal purchases through Exchange Traded Funds. Investors bought large amounts of palladium in the first quarter of 2008 as the price rose, yet they sold little metal as the price fell in the third quarter and appear to be investing for the longer-term.

2008 supplies of palladium are forecast to fall by 12.5 per cent to 7.51 million ounces. Output is expected to fall in Russia, South Africa and North America, with sales from primary production dropping 385,000 oz to 6.71 million ounces. We currently assume that sales of Russian state stocks of palladium will fall from 1.49 million ounces last year to 800,000 oz in 2008.



Ruthenium demand will fall in 2008, for the second successive year, to 787,000 oz. Although gross ruthenium demand from the electronics industry – mainly for hard disk drives and chip resistors – will increase in 2008, improved inventory control of ruthenium and faster recycling times will drive net demand lower. Iridium demand will rise to 132,000 oz in 2008, with more metal used in spark plugs and in the electronics industry.