



Johnson Matthey

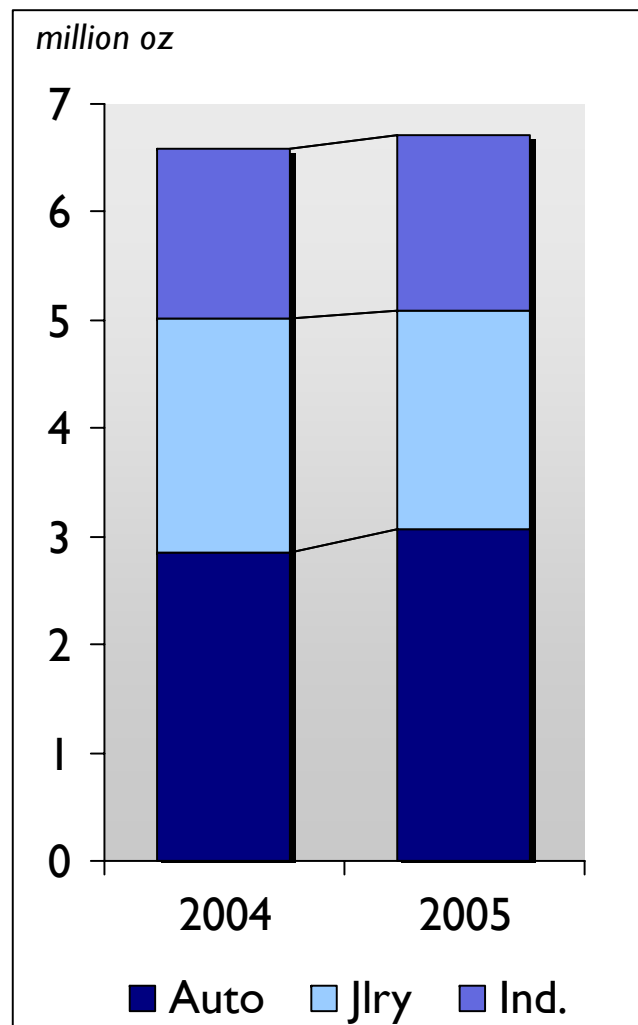
Platinum 2005

Interim Review



15th November 2005

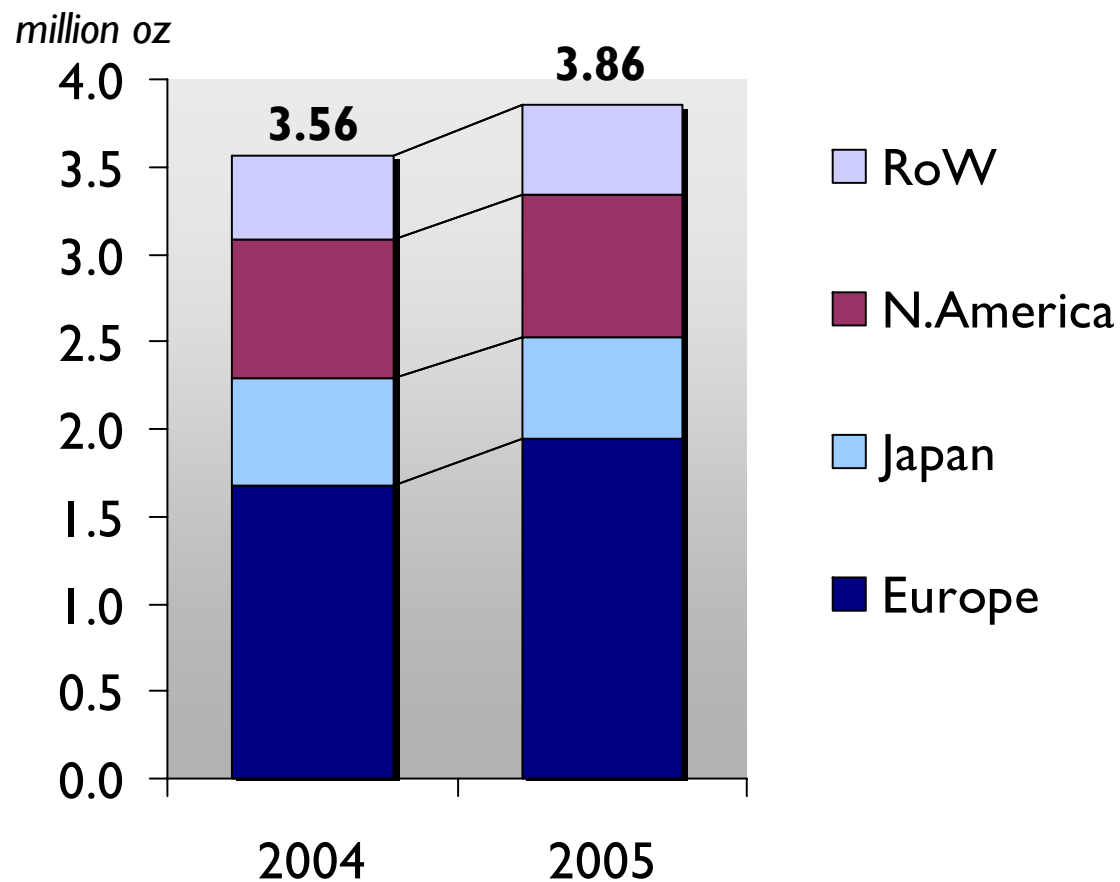
Platinum Demand To Reach New High



- Strong growth from the autocatalyst sector
- Jewellery purchases set to fall for 3rd year in a row
- Glass and electrical use driving increased industrial demand
- Total demand to rise 2% to 6.71 million oz

Platinum Demand: Autocatalyst

Up 8% to 3.86 million oz

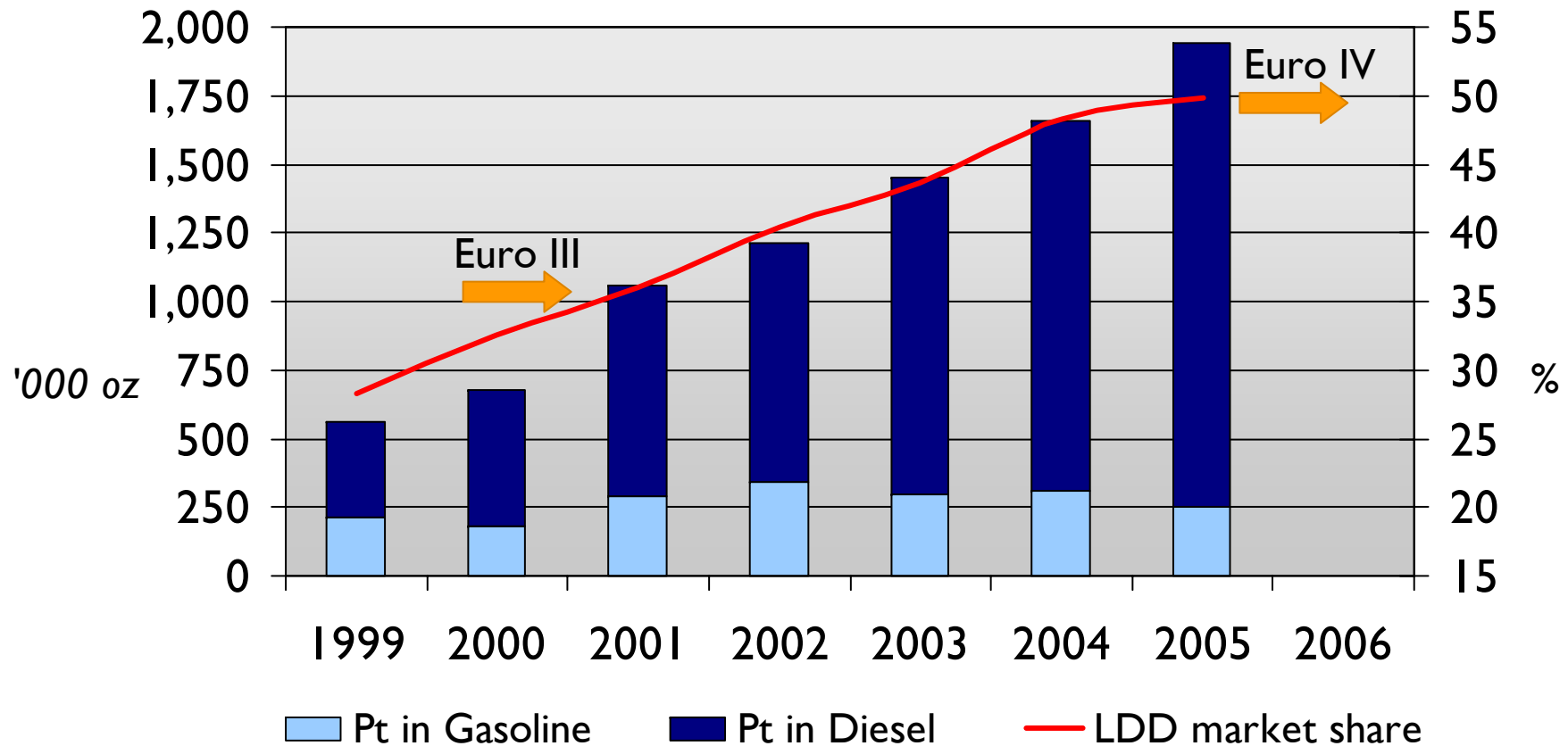


Platinum Demand: Autocatalyst

Europe: up 16% to 1.94 million oz



European Demand for Platinum in Autocatalysts 1999-2005



Platinum Demand: Autocatalysts

Europe: up 16% to 1.94 million oz

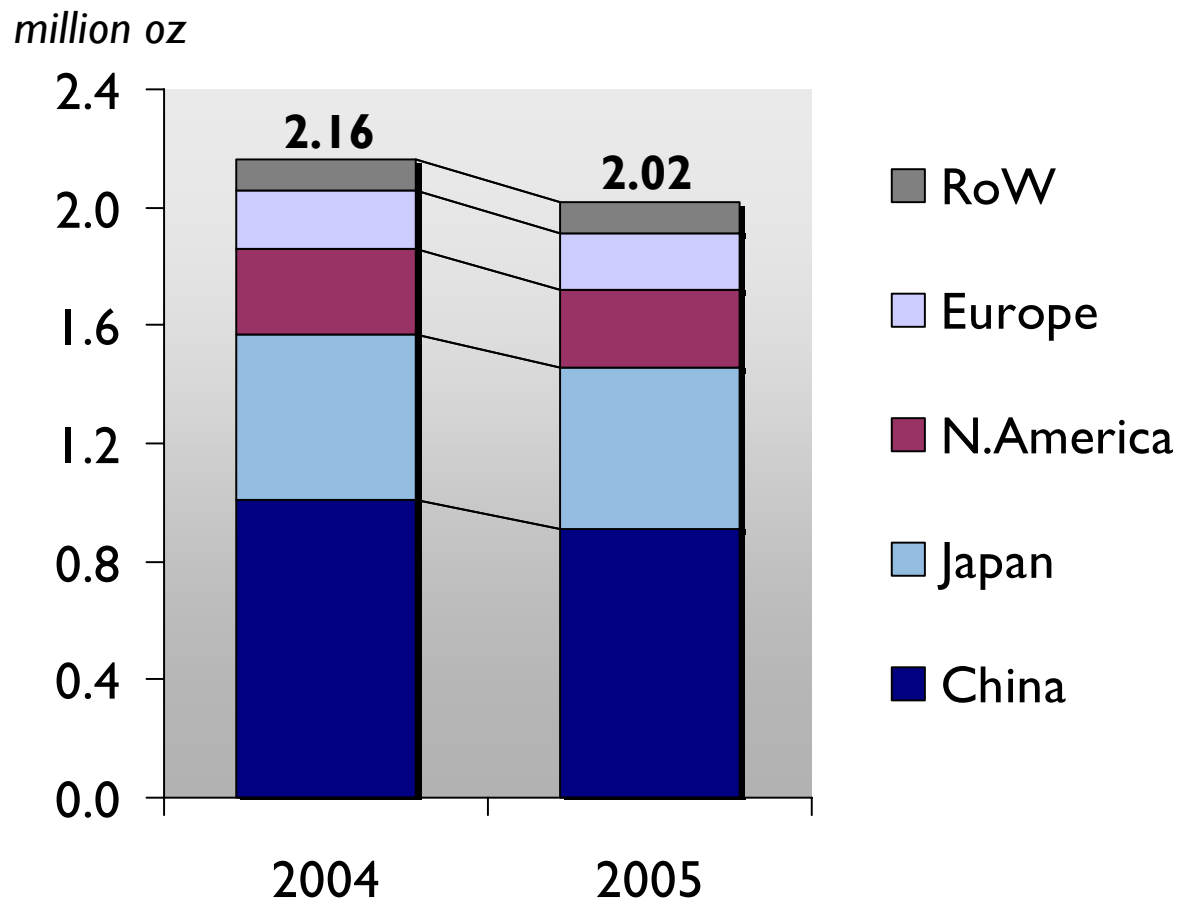
North America: up 2.5% to 820,000 oz

Japan: down 4% to 580,000 oz

China + RoW: up 9% to 520,000 oz

Platinum Demand: Jewellery

Down 6% to 2.02 million oz



Jewellery Demand: China

Down 10% to 910,000 oz

- Increased metal financing costs; higher retail prices
 - Manufacturers only producing to order; destocking by retailers continuing
 - Palladium offers a lower cost, higher margin alternative
 - Consumers exchanging old jewellery for new
- Excess inventories of diamond-set jewellery
- But good buying on price dips, even >\$900

Jewellery Demand: Elsewhere

High Pt price affects demand

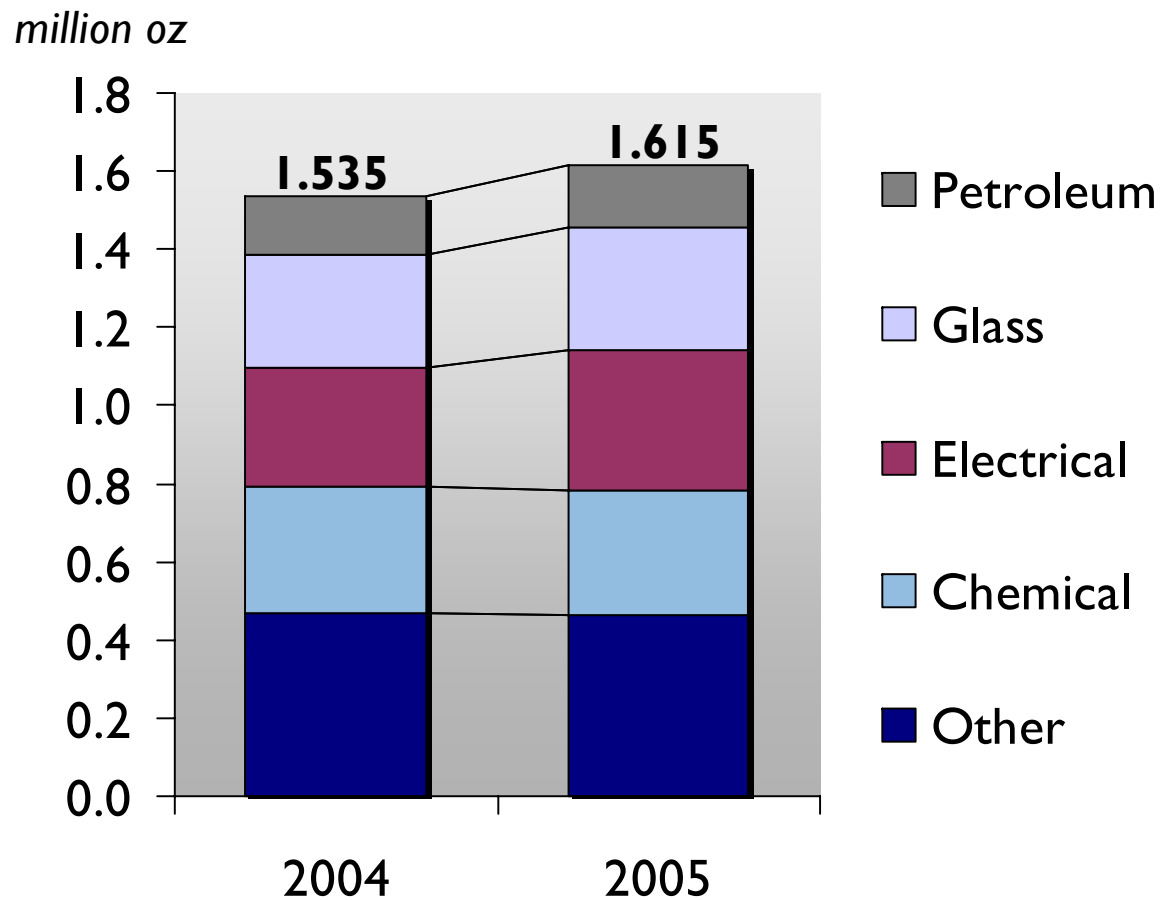
Japan: down 2% to 550,000 oz

North America: down 10% to 260,000 oz

Europe: unchanged at 195,000 oz

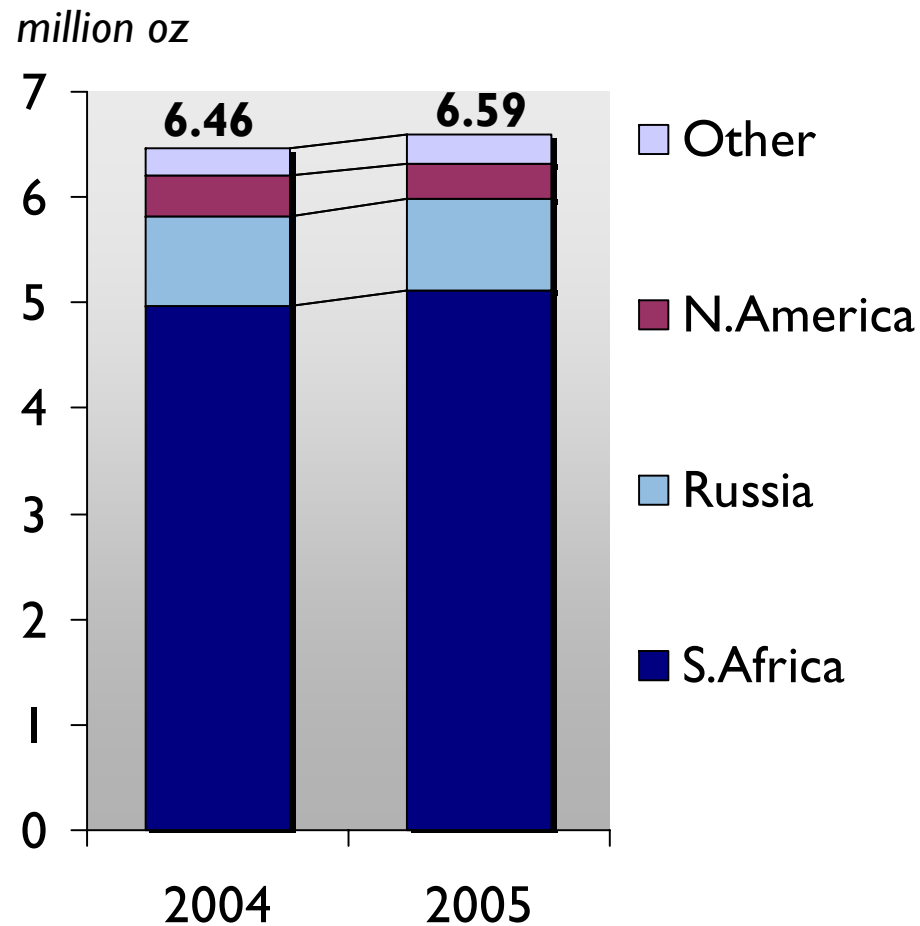
Platinum Demand: Industrial

Up 5% to 1.615 million oz



Platinum Supply

Up 2% to 6.59 million oz

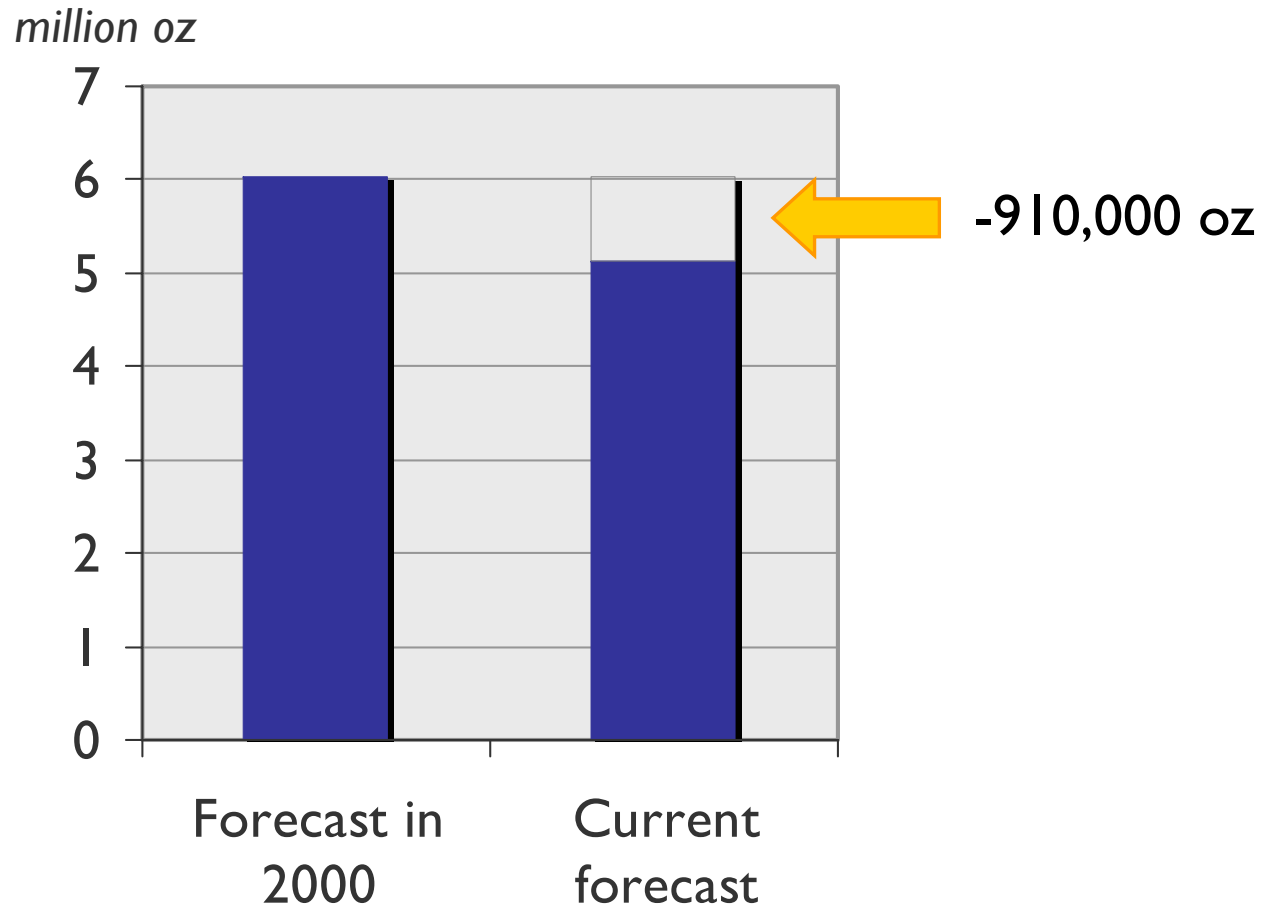


Platinum Supply: South Africa

Up 3% to 5.12 million oz

- Smelter problems hold back growth at Anglo Platinum
- Progress on Eastern Bushveld slow
- Geology more difficult on Western Bushveld

South African Platinum Supplies in 2005 – Changing Expectations



Platinum Supply: Elsewhere

net change -20,000 oz

Russia: up 1% to 860,000 oz

North America: down 12% to 340,000 oz

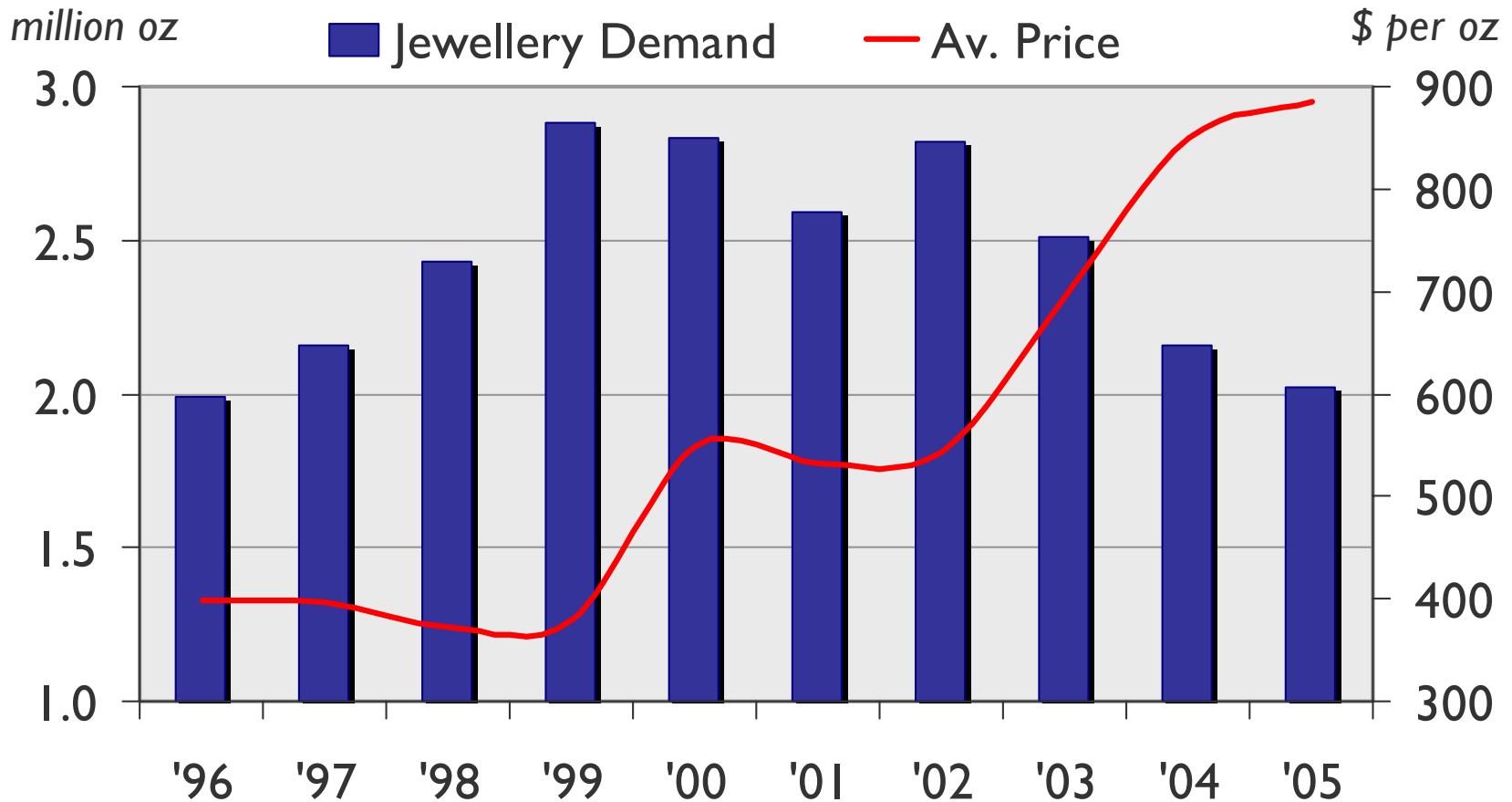
Zimbabwe: up 5% to 155,000 oz

Platinum Supply and Demand

'000 oz	2004	2005	%
Demand	6,590	6,710	+2
Supply	6,460	6,590	+2
Movements in stocks	(130)	(120)	

Platinum – Demand Outlook

Jewellery: Price Dependent



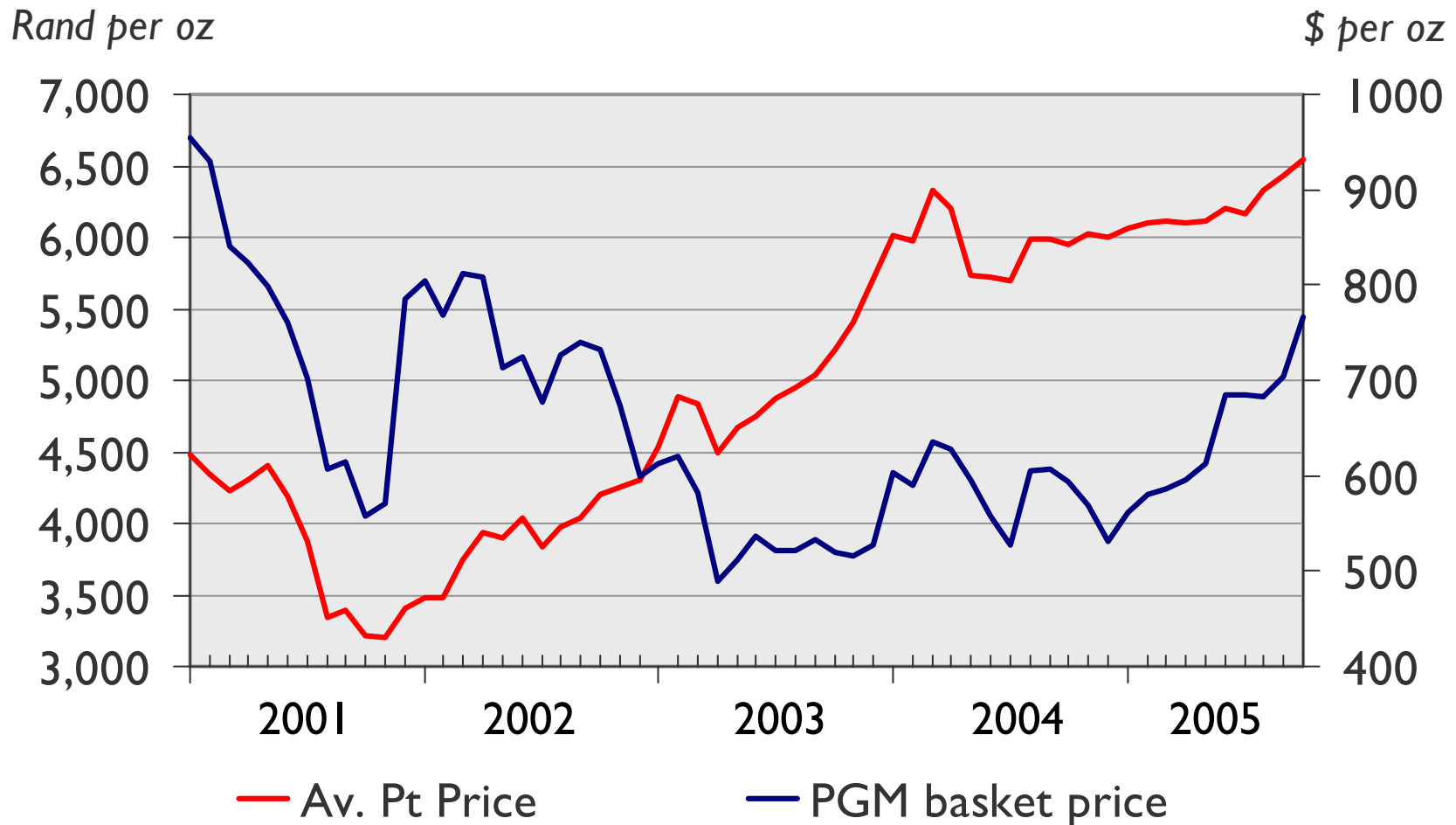
Platinum – Demand Outlook

Autocatalyst: Diesel Driven

- Euro IV plus DPF in Europe
- HDD regulations in North America
- Light vehicle production & emissions limits in Asia

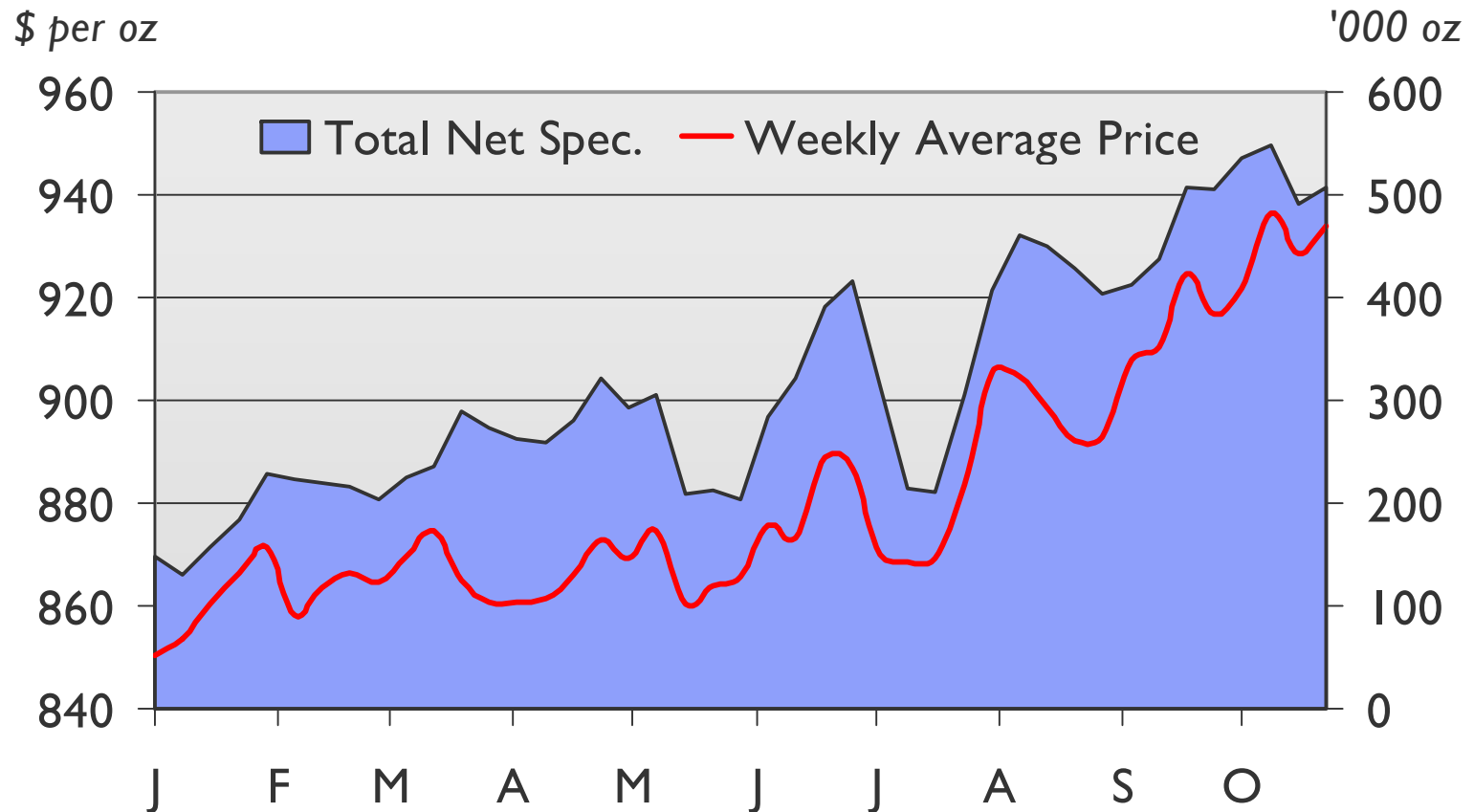
Platinum – Supply Outlook

South Africa: Stronger Growth Expected

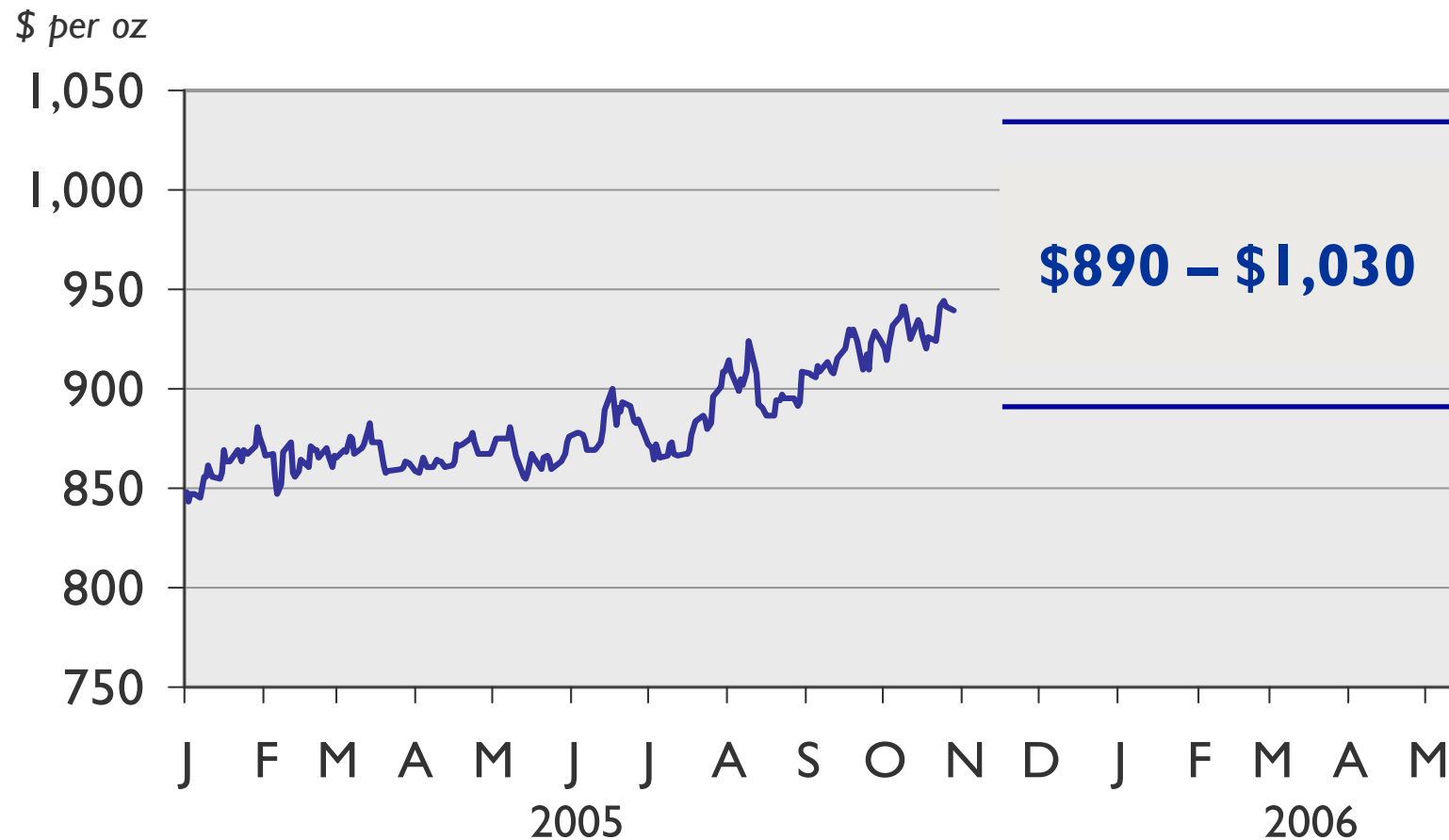


NYMEX Positions vs Platinum Price

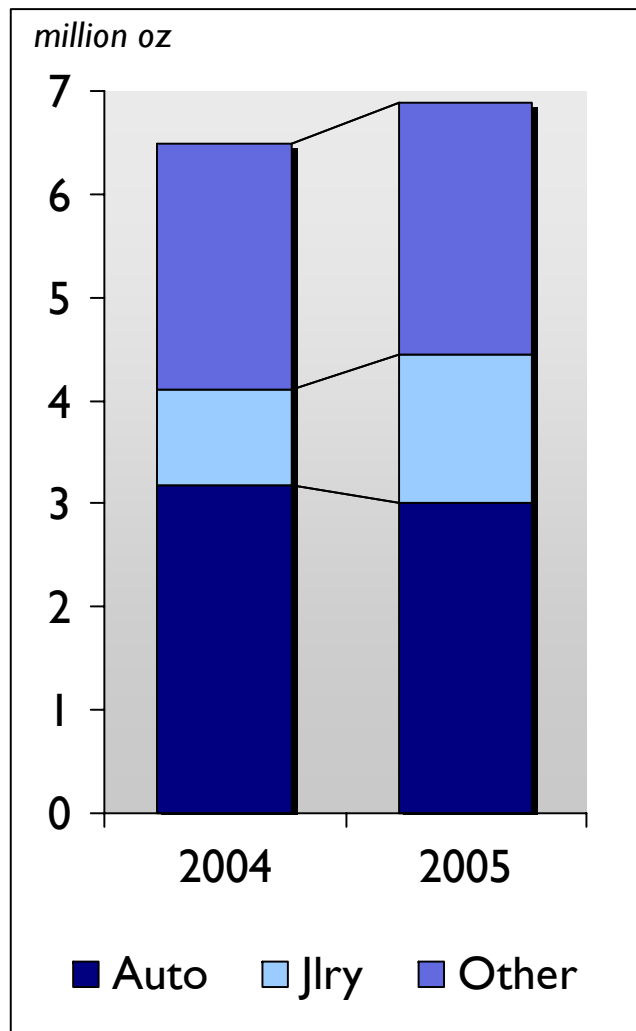
Jan–Oct 2005



Forecast Platinum Price For The Next 6 Months



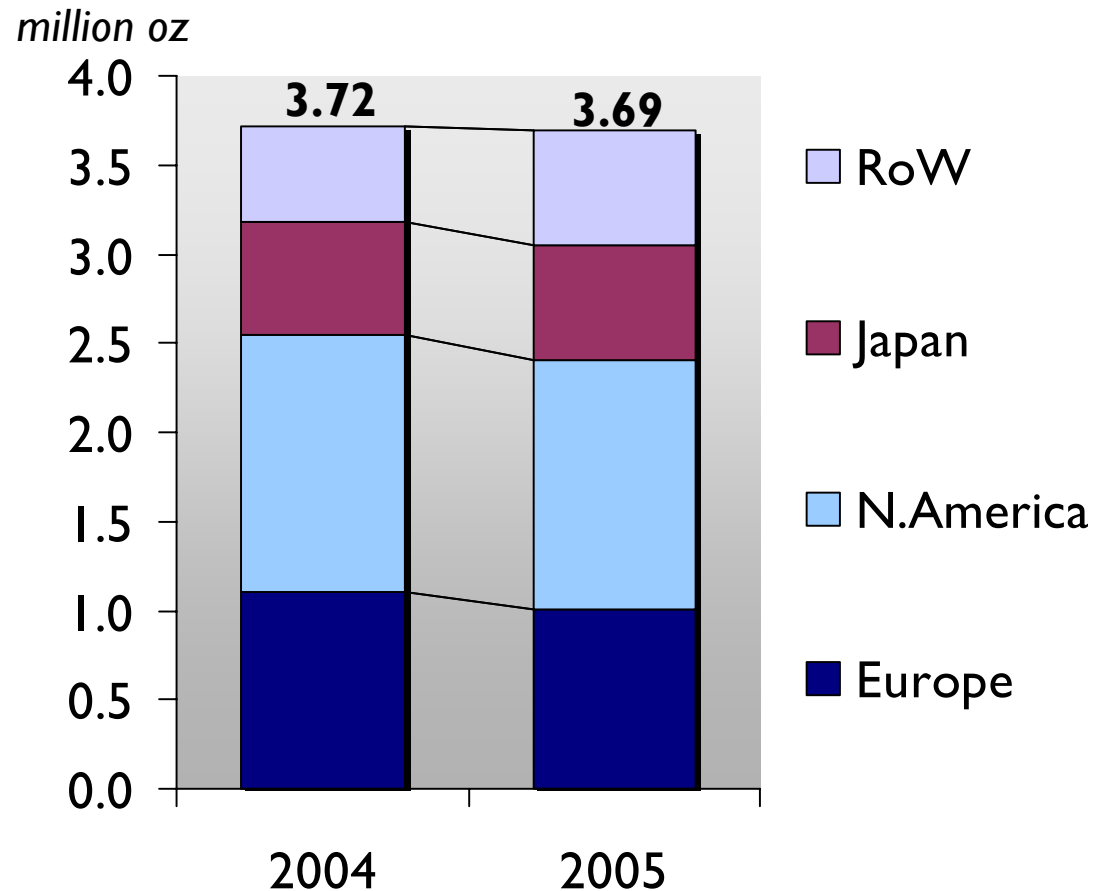
Palladium Demand Improving



- Jewellery to become the second largest application
- Autocatalyst purchases little changed, scrap recovery rising
- Industrial & investment demand both positive
- Total demand to grow 6% to 6.89 million oz

Palladium Demand: Autocatalyst

Marginally lower at 3.69 million oz



Autocatalyst Demand for Palladium

North America: down 3% to 1.395 million oz

- Vehicle sales weakening; still some thrifting

Europe: down 9% to 1.005 million oz

- Demand to drop for 5th year as diesels take further market share

Japan: up almost 2% to 645,000 oz

- Greater output of light vehicles with lower emissions

China + RoW: up 21% to 645,000 oz

- Rising vehicle production & tighter emissions limits

Palladium Demand: Jewellery

Up 55% to 1.43 million oz



Chinese demand to soar to 1.2 million oz, up from 700,000 oz last year

Palladium Demand: Jewellery

Basis for Chinese Growth

- Low metal funding costs plus relatively low price volatility
- Attractive profit margins for retailers
- Consumers like:
 - Purity (Pd 990)
 - Affordability
 - Whiteness
 - Association with platinum
 - ‘Potential for price to appreciate’

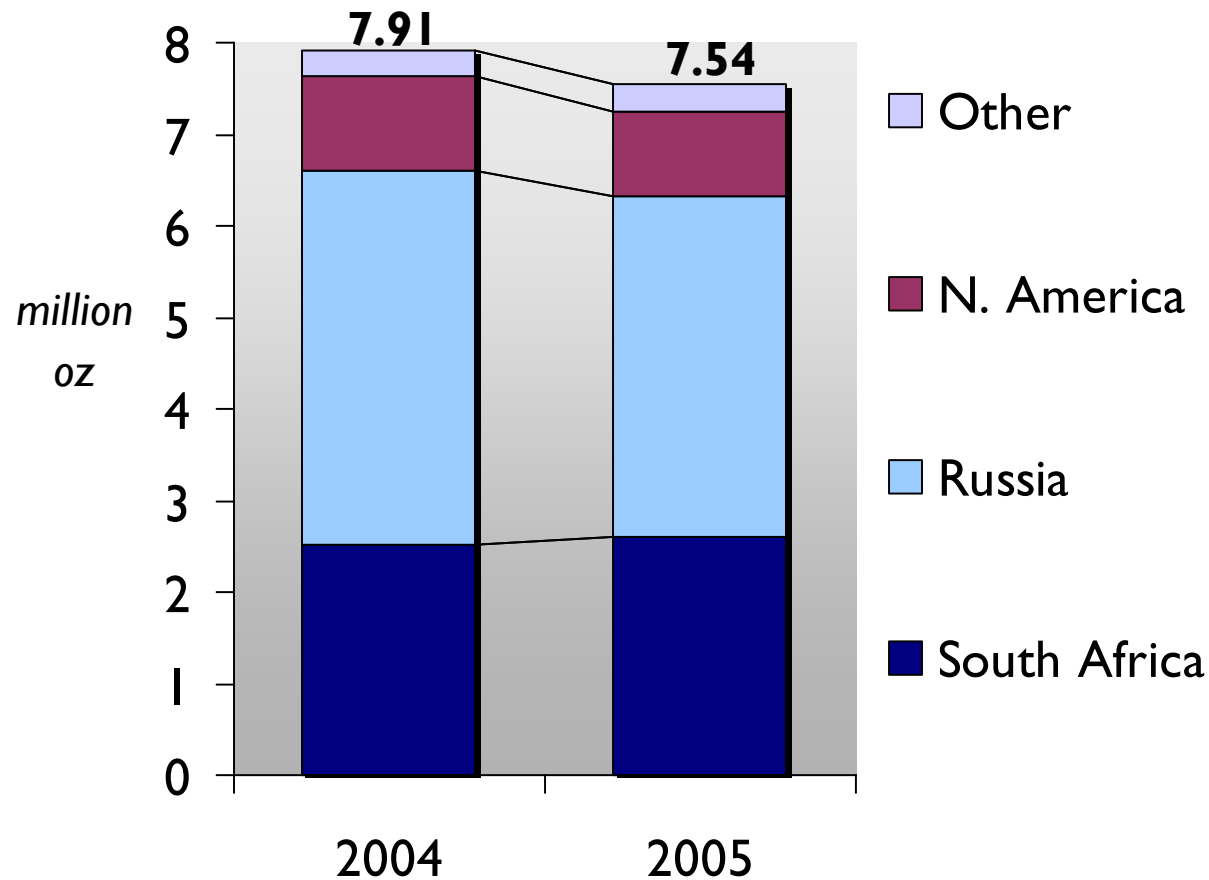
Palladium Demand: Other

Up 3% to 2.45 million oz

- Electronics demand up 5% to 970,000 oz
- Dental demand marginally higher at 860,000 oz
- Moderate growth in chemicals sector
- Strong interest in physical investment products in North America

Palladium Supply

Down 5% to 7.54 million oz



Palladium Supply: Russia

Down 9% to 3.73 million oz

- Norilsk releases data: production forecast at 3.08 million oz
- Stillwater on course to sell 440,000 oz of Norilsk stock
- Substantial sales from State inventories in Q4 2004; some carried over to Q1 2005

Palladium Supply Elsewhere

South Africa: up 4% to 2.6 million oz

- Production increasing in line with expanding platinum output

North America: down 11% to 925,000 oz

- Production difficulties & low grades at NAPd
- Lower output at Inco

Palladium Supply and Demand

'000 oz	2004	2005	%
Demand	6,480	6,890	+6
Supply	7,910	7,540	-5
Movements in stocks	1,430	650	

Palladium – Demand Outlook

Autocatalyst

- Thrifting to have less impact
- Switching from Pt to Pd in gasoline vehicle catalysts to accelerate
- Rising light vehicle production and tightening emissions limits in Asia

Palladium – Demand Outlook

Jewellery

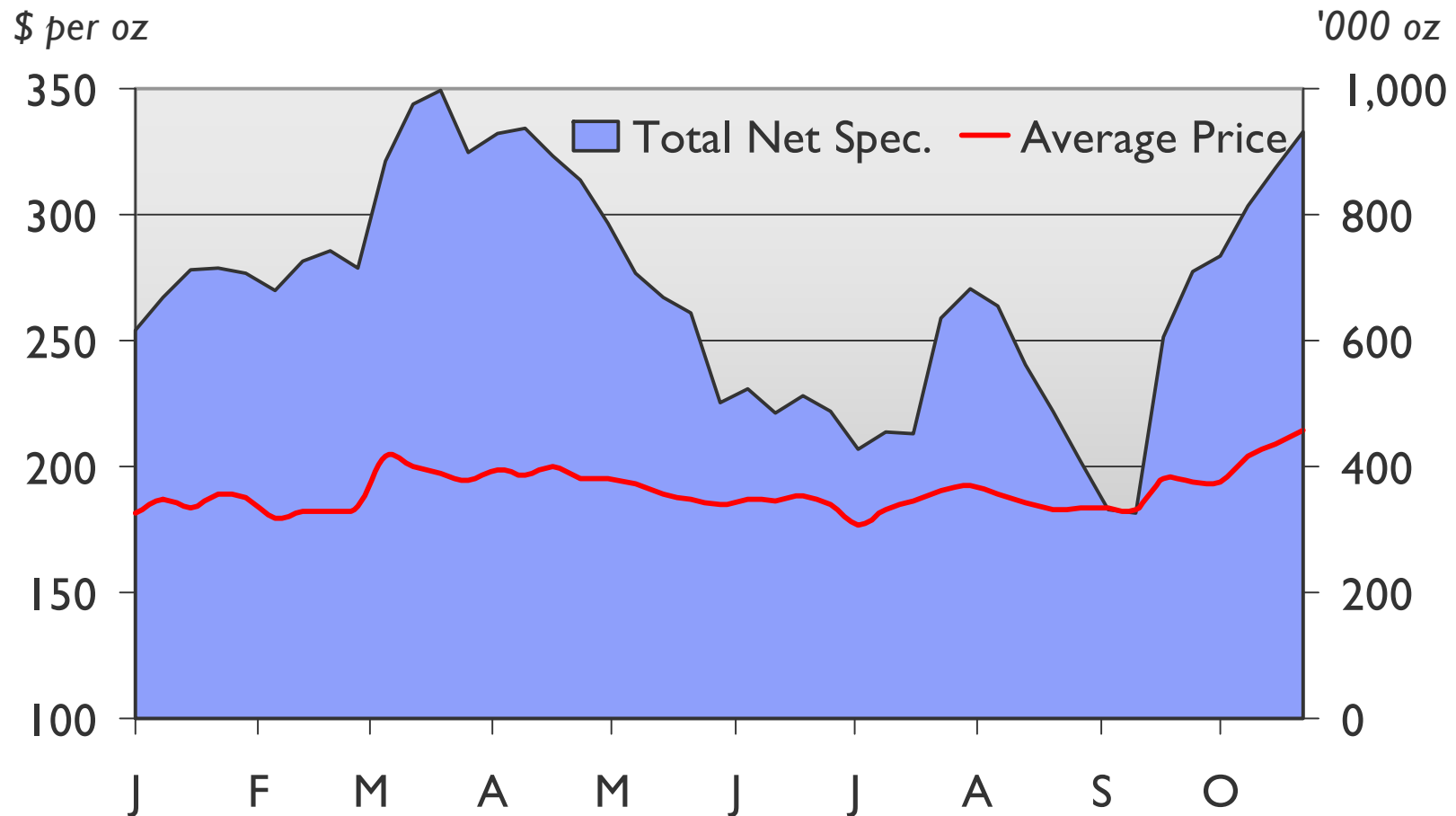
- Further growth potential in China:
 - No co-ordinated marketing of Pd jewellery
 - Not available via Shanghai Gold Exchange
 - Not popular in Shanghai and Beijing
- An alternative to white gold in other markets?

Palladium – Supply Outlook

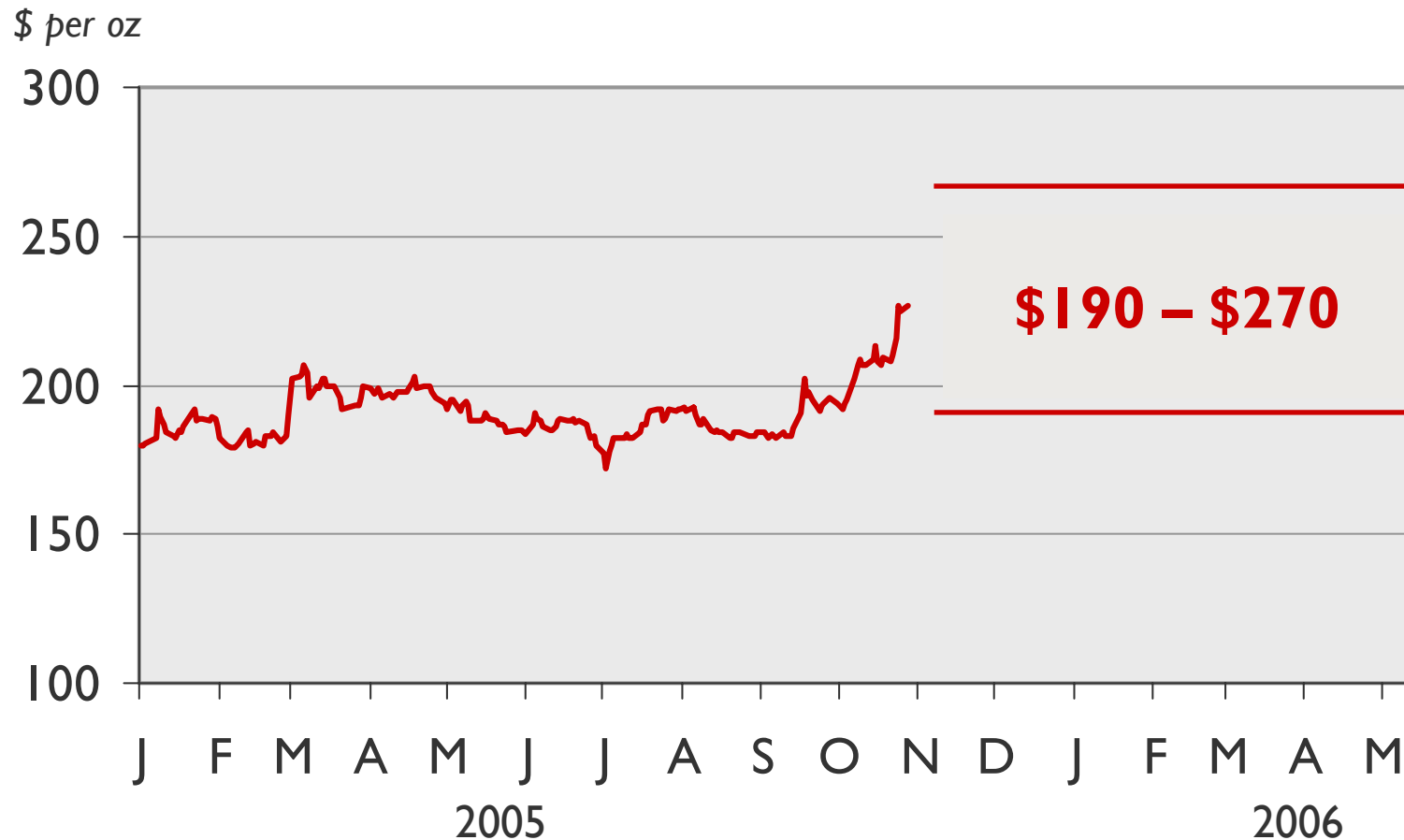
- Stillwater inventory sales to end in Q1 2006
- Growth expected in South African & North American mine production
- Further sales from Russian stocks?

NYMEX Positions vs Palladium Price

Jan–Oct 2005



Forecast Palladium Price For The Next 6 Months





Johnson Matthey

Platinum 2005

Interim Review



15th November 2005