



Johnson Matthey

Platinum 2008 Interim Review



18th November 2008



Johnson Matthey

Platinum



Platinum Price in 2008 (US\$)



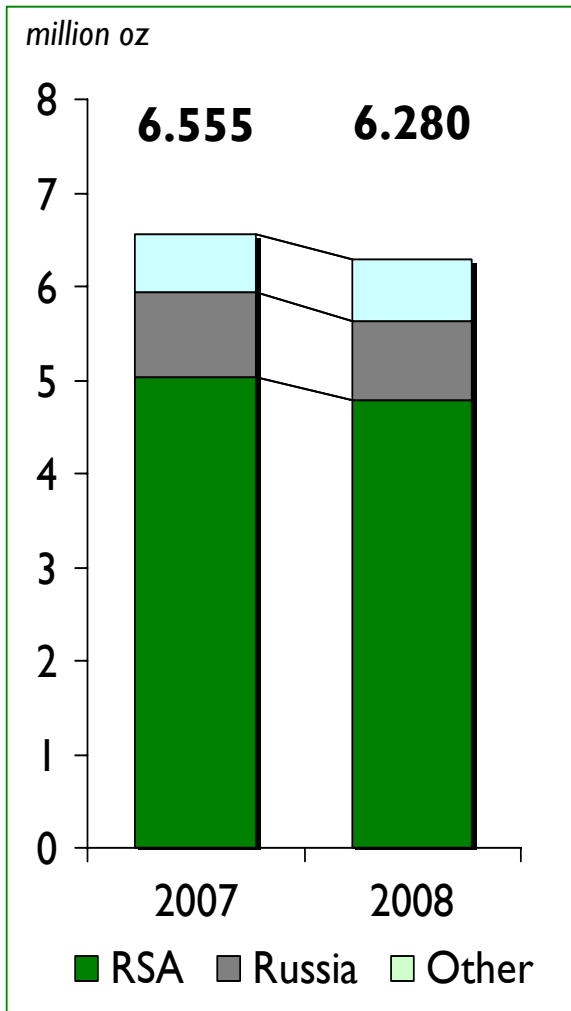
Platinum: Key features

- Platinum market set to be in deficit by 240,000 oz in 2008
- South African supplies fall to lowest since 2003
- Autocatalyst demand grows due to European diesel market
- Jewellery demand driven lower by high prices and increased recycling
- Industrial demand forecast to climb

Platinum Supply and Demand

<i>'000 oz</i>	2007	2008	%
Supply	6,555	6,280	(4.2)
Demand	6,675	6,520	(2.3)
Movements in stocks	(120)	(240)	

Platinum Supply Falls by 4.2%

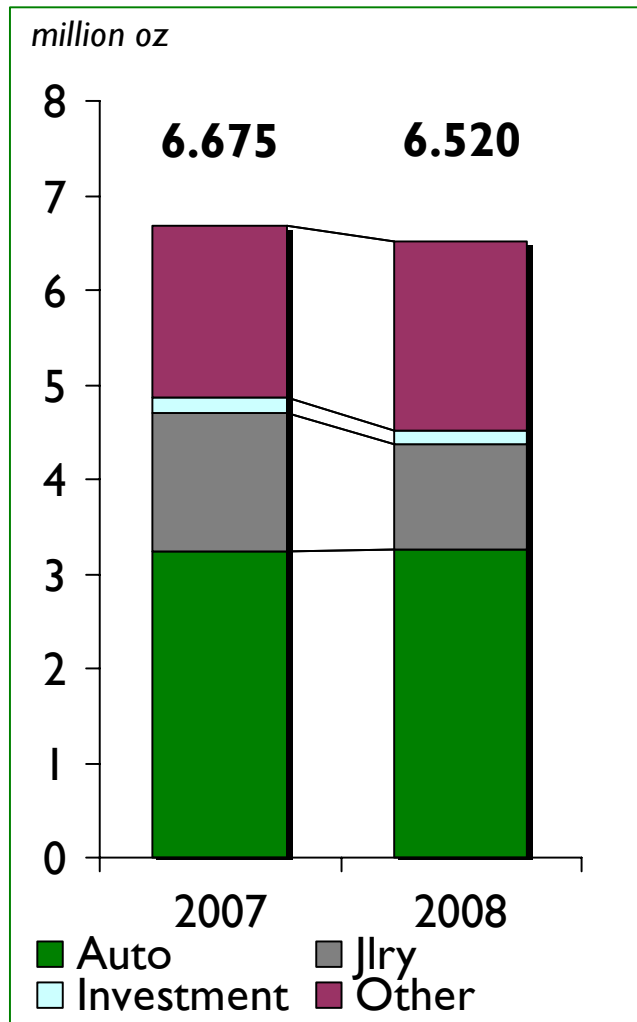


- South African supplies to drop to a forecast 4.78 million oz
- Russian production expected to fall to 855,000 oz
- ROW production forecast to rise to 520,000 oz

South African Platinum Supply

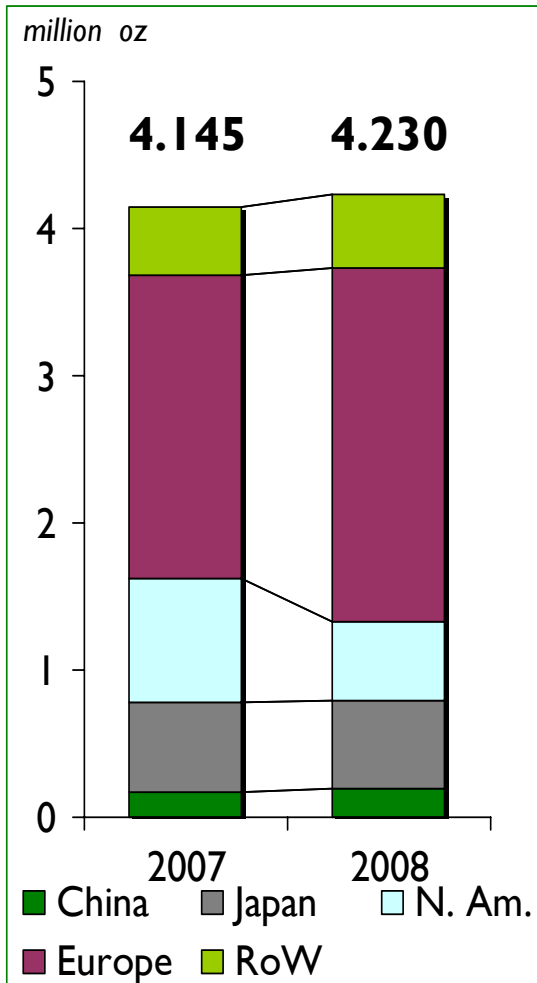
- Supplies will fall again, from 5.03 million oz in 2007 to 4.78 million oz in 2008
- Major causes include:
 - Amandelbult flooding
 - Safety stoppages
 - Smelter outages
 - Labour disruption
 - Power supply issues
 - Finding and retaining skilled staff

Platinum Demand Drops by 2.3%



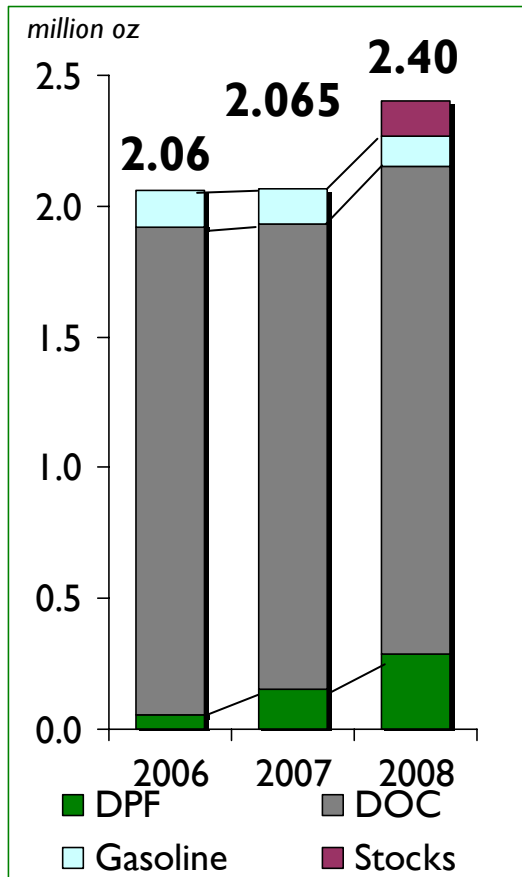
- Total net demand to fall by 155,000 oz to 6.52 million oz
- Gross autocatalyst demand set to rise by 85,000 oz to 4.23 million ounces
- Jewellery demand to drop by 340,000 oz to 1.12 million oz
- Investment demand to fall to 145,000 oz
- Industrial demand forecast to rise 10.5% to 1.995 million oz

Platinum Demand: Autocatalyst



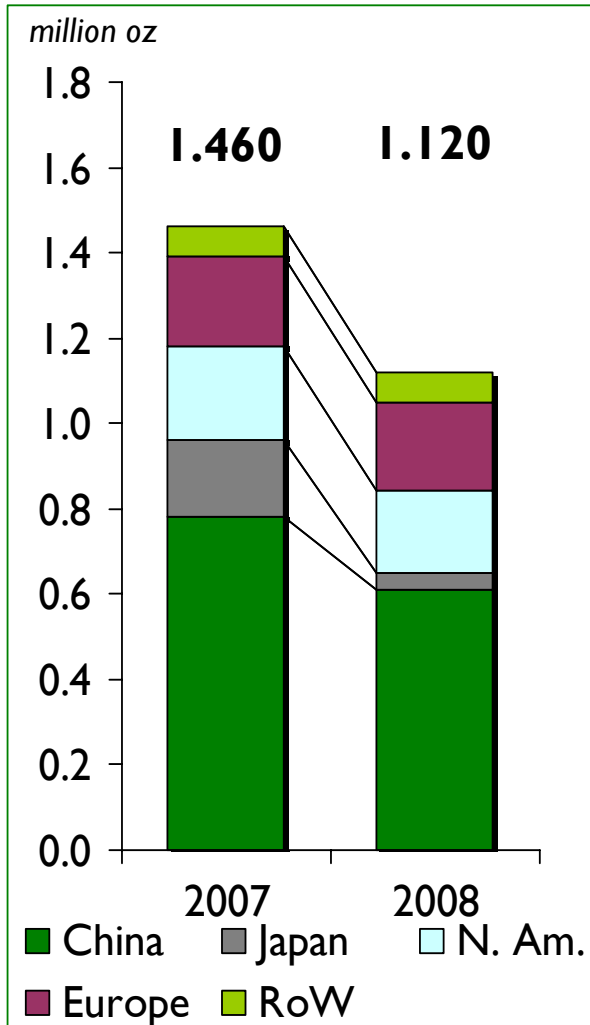
- Gross auto sector platinum purchases rise by 2.1% to 4.23 million oz
- North American weakness cuts demand by 305,000 oz
- European demand driven 335,000 oz higher by diesel demand
- Growth in China and the Rest of the World region despite substitution of platinum by palladium
- Movements in stocks have little impact

Platinum Demand: European Autocatalyst



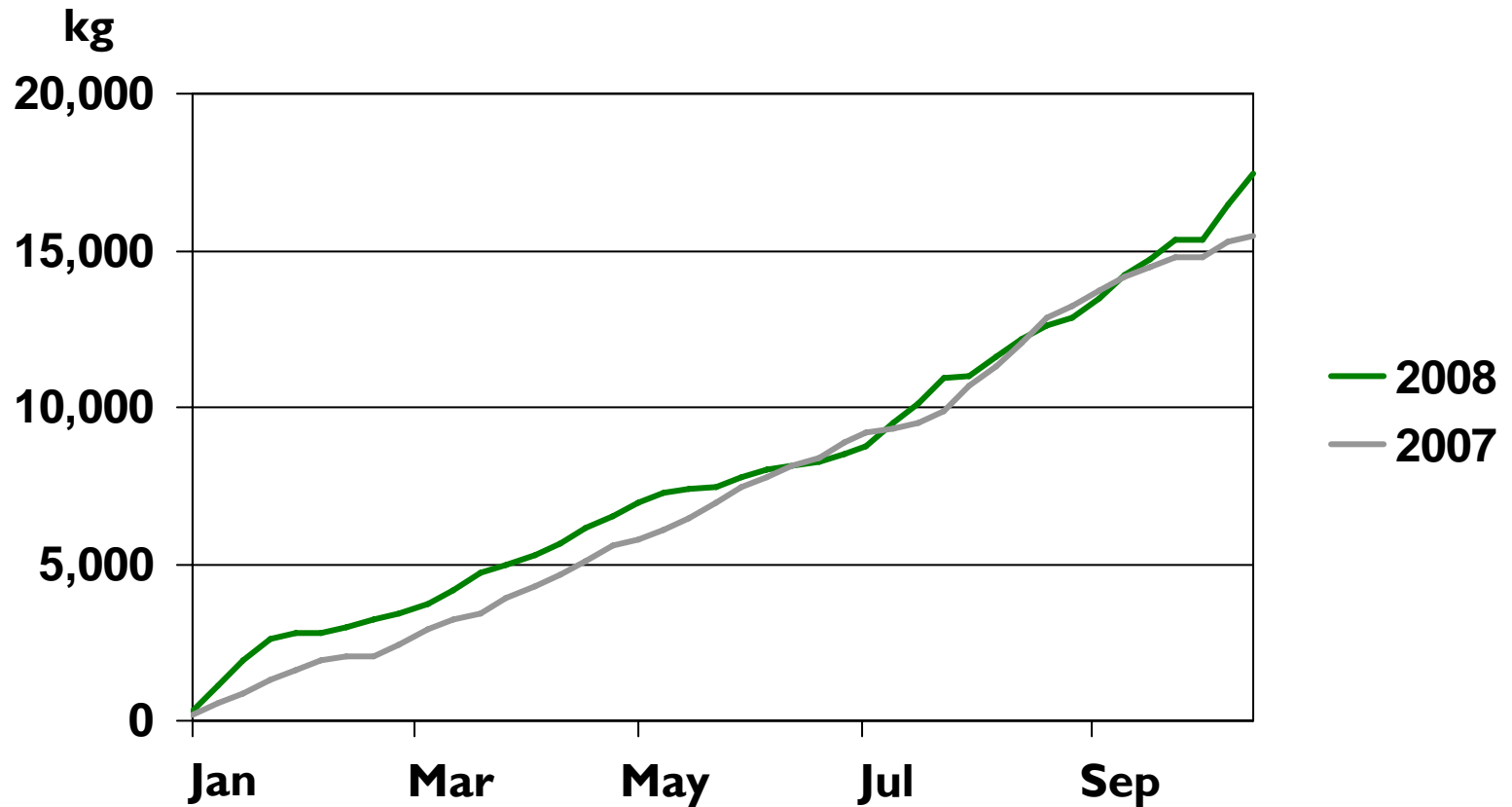
- European autocatalyst demand driven 16.2% higher to 2.40 million ounces
- Use on light and heavy duty diesel vehicles accounts for over 2 million ounces of demand
- Additional fitment of diesel particulate filters (DPFs) drives much of this growth

Platinum Demand: Jewellery

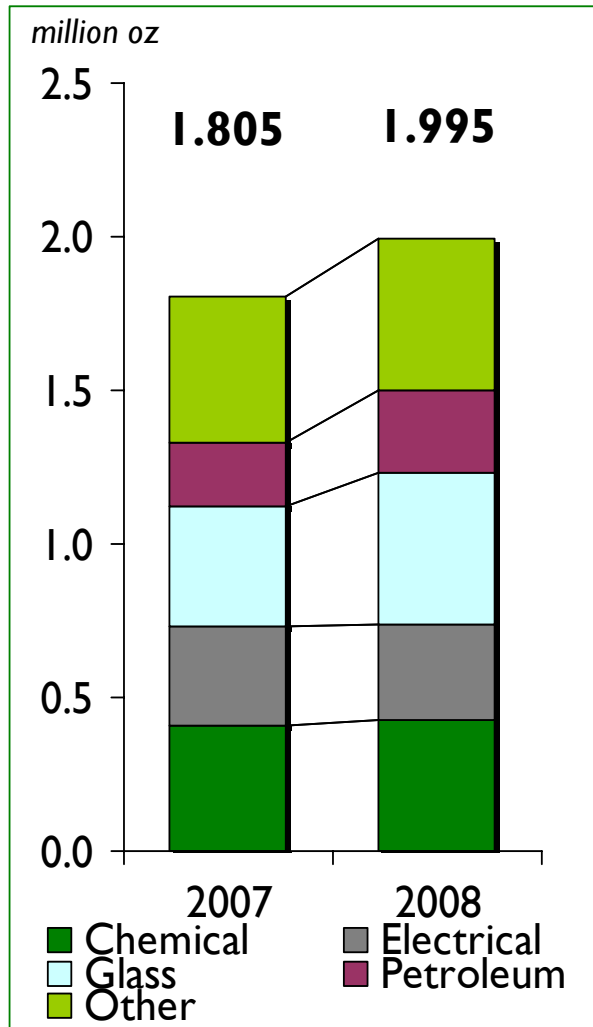


- Jewellery demand negatively impacted by high prices in much of 2008
- Global manufacturer purchases of new metal set to fall by 23% to 1.12 million oz
- Affordability hit by high prices in the first half of 2008
- Recycling of old pieces to total over 500,000 oz in Asia

Cumulative Purchases on SGE

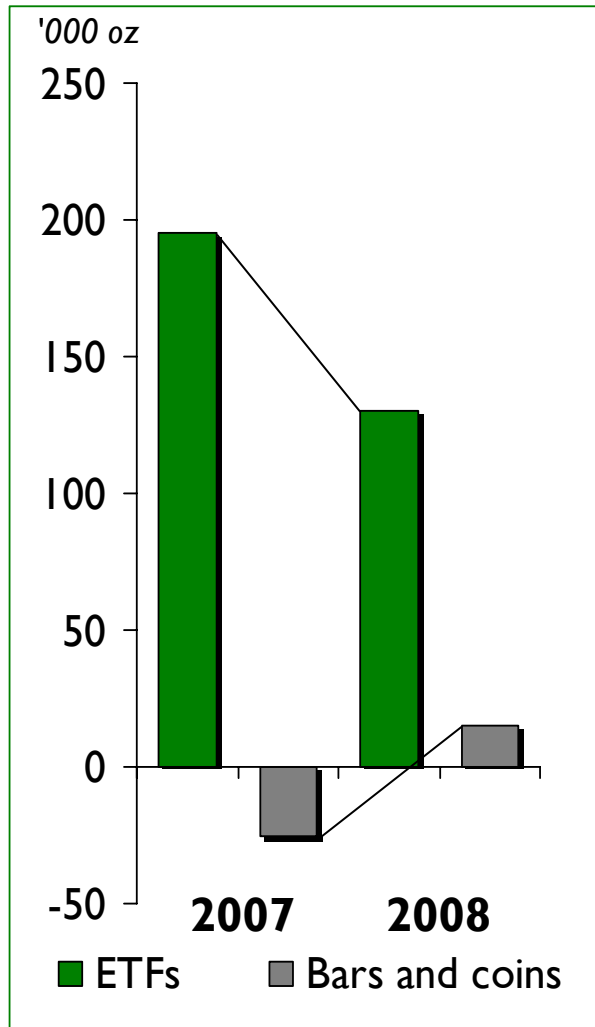


Platinum Demand: Industrial



- Industrial demand forecast to rise by 10.5% to 1.995 million oz despite economic slowdown
- Demand expected to rise for chemical sector, glass and petroleum refining, driven by growth in Asian economies
- Thrifting drives electronics demand marginally lower

Platinum Demand: Investment



- Investment demand forecast to fall to 145,000 oz in 2008
 - First and second half of 2008 likely to show very different demand
- ETF demand likely to decline to an estimated 130,000 oz
- Japanese net investment demand for large bars set to be slightly negative

Platinum Update

- Price has softened further in October
- North American automotive sales continue to weaken
- The pace of sales by funds has slowed
- Physical demand has strengthened in Asia; record sales on Shanghai Gold Exchange in October
- Smelter outages in final quarter
- Market still in deficit in 2008

Platinum Outlook

- Platinum supplies from South Africa should recover somewhat in 2009
- Automotive demand to be supported by European diesel sector
- Industrial demand likely to weaken
- Jewellery demand to recover if prices stabilise
- Physical investment demand unlikely to rise significantly

Forecast Platinum Price for the Next 6 Months



Forecast Platinum Price for the Next 6 Months





Johnson Matthey

Palladium



Palladium Price in 2008 (US\$)



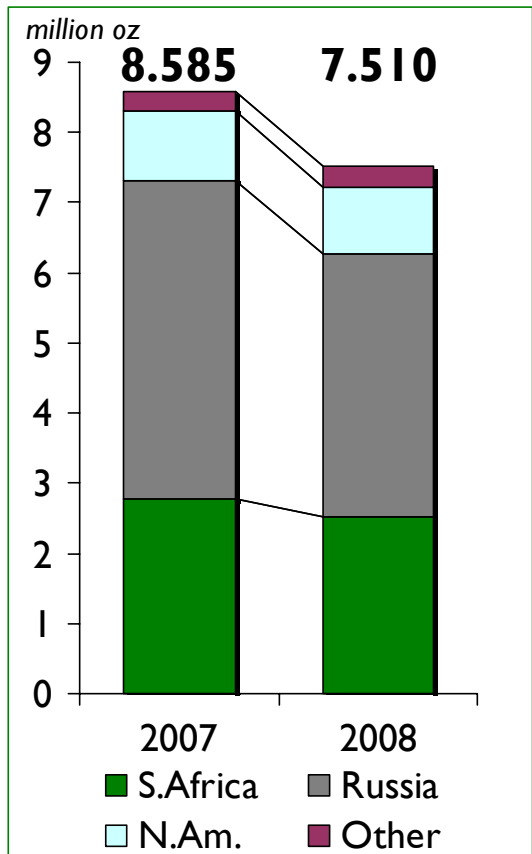
Palladium: Key features

- Palladium market expected to be in reduced surplus of 320,000 oz in 2008
- Supplies from both South Africa and Russia to fall
- Gross autocatalyst demand rises marginally despite North American weakness
- Global palladium jewellery demand rebounds
- Physical investment demand withstands price volatility

Palladium Supply and Demand

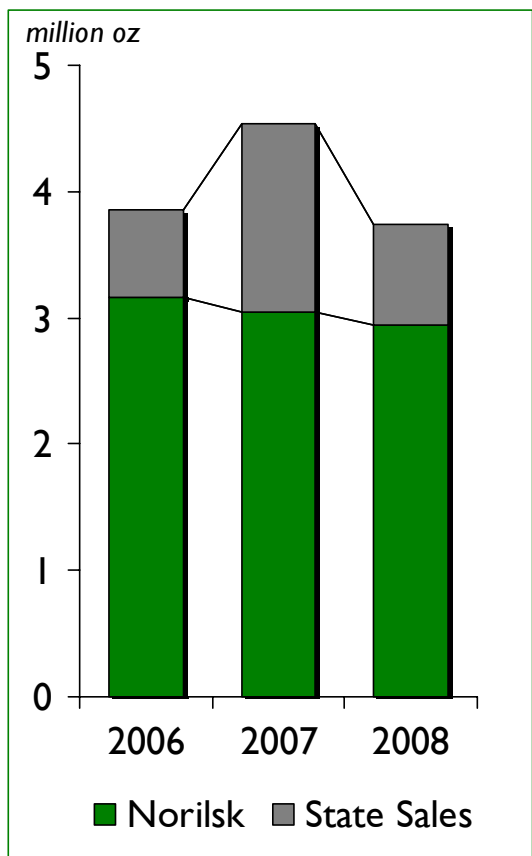
<i>'000 oz</i>	2007	2008	%
Supply	8,585	7,510	(12.5)
Demand	6,930	7,190	3.8
Movements in stocks	1,655	320	

Palladium Supply Falls by 12.5%



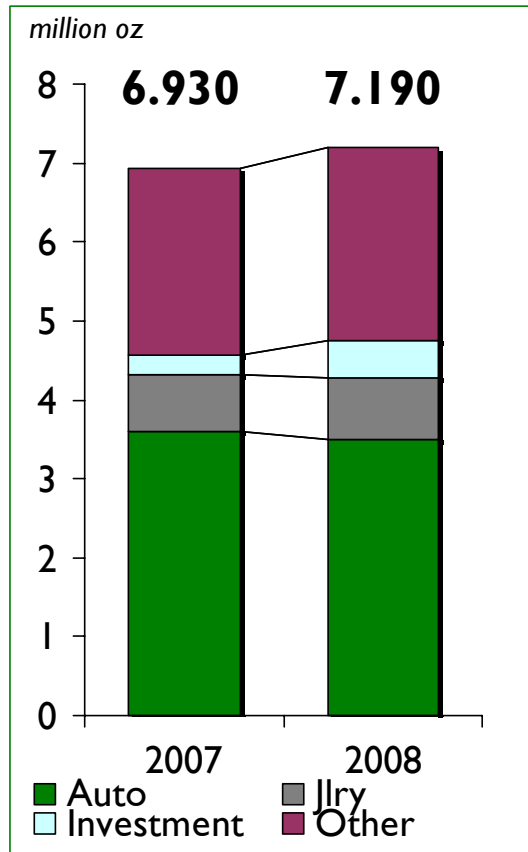
- Supply shrinks by 1.065 million oz to 7.51 million oz
- Russian supplies forecast to fall to 3.74 million oz due to large decrease in sales of state stocks
- South African shipments to decline to 2.525 million oz
- North American production will also fall, to a forecast 950,000 oz

Russian Palladium Supplies



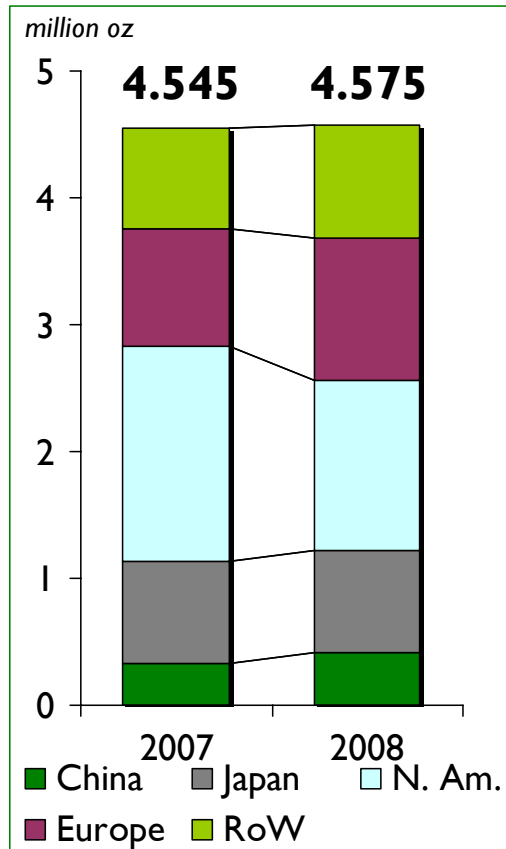
- Annual Russian primary production is forecast to fall below 3 million oz
- Sales of 800,000 oz of state stocks included in supplies
- September shipment from Russia to Switzerland to be sold in future years

Palladium Demand Climbs by 3.8%



- Global palladium demand to increase by 260,000 oz to 7.19 million oz
- Autocatalyst palladium demand grows in China and Europe but falls in North America
- Jewellery demand forecast to rise in China, Europe and North America
- Physical investment demand expected to grow strongly in 2008
- Demand to rise in the chemical and electronics sectors

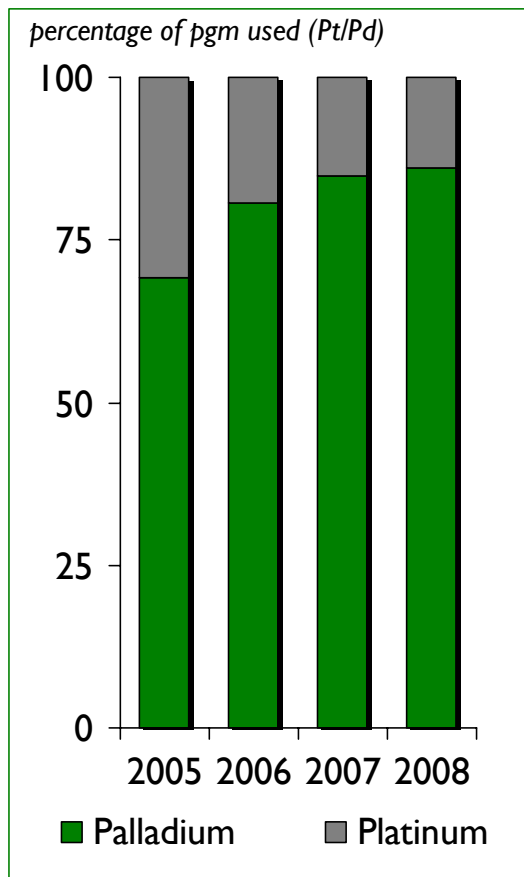
Palladium Demand: Autocatalyst



- North American demand to fall by 350,000 oz to 1.345 million oz
- Palladium demand in China and the Rest of the World region expected to grow strongly
- Greater use of palladium in diesel sector to help lift European demand by 190,000 oz

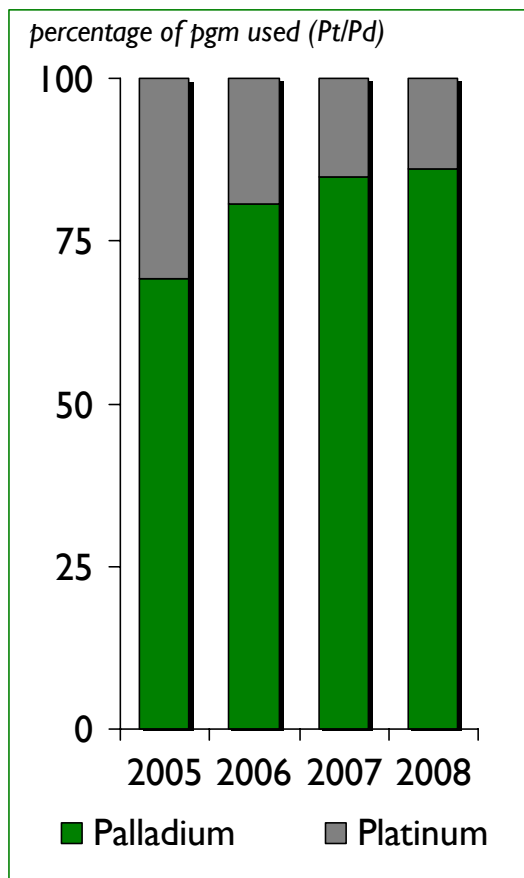
Pgm choice in Autocatalysts

Gasoline

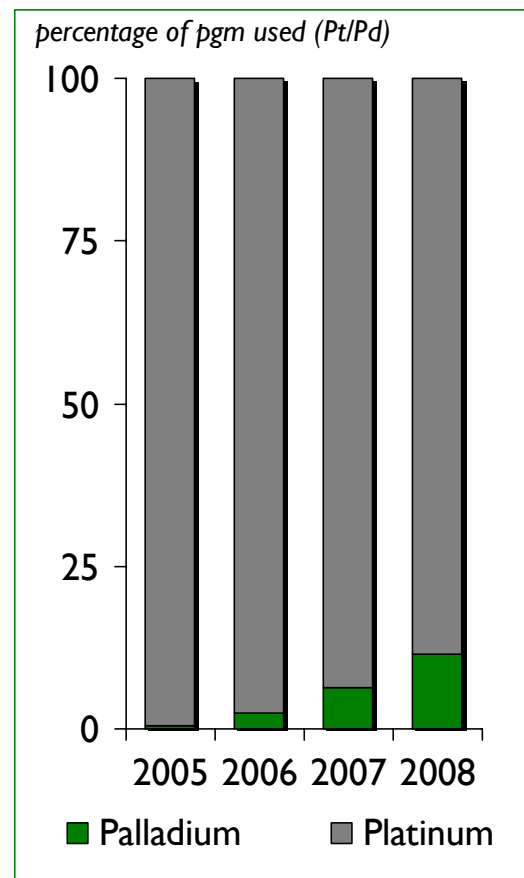


Pgm choice in Autocatalysts

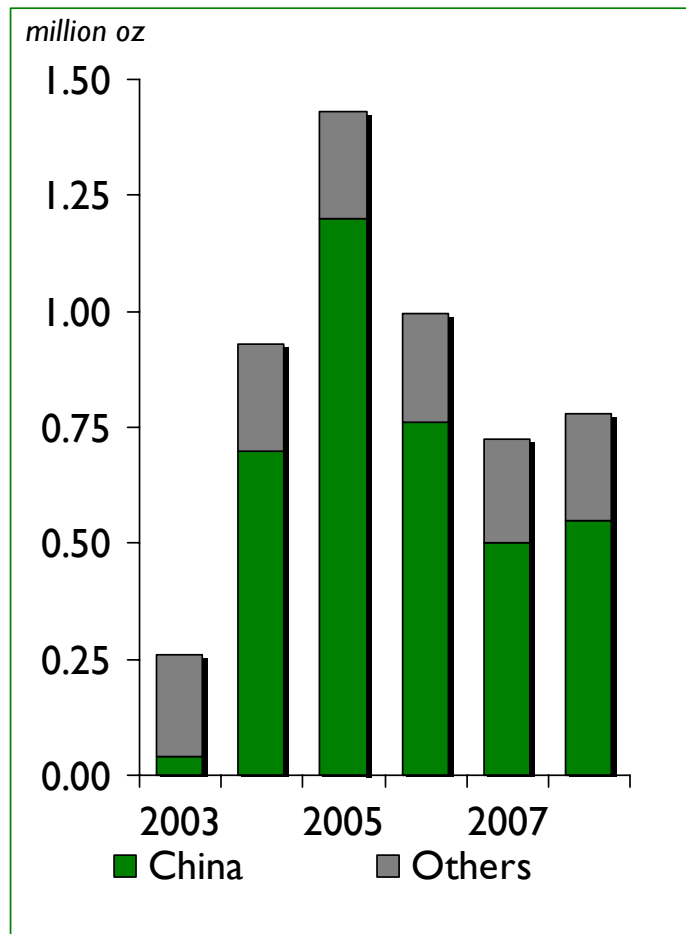
Gasoline



Diesel

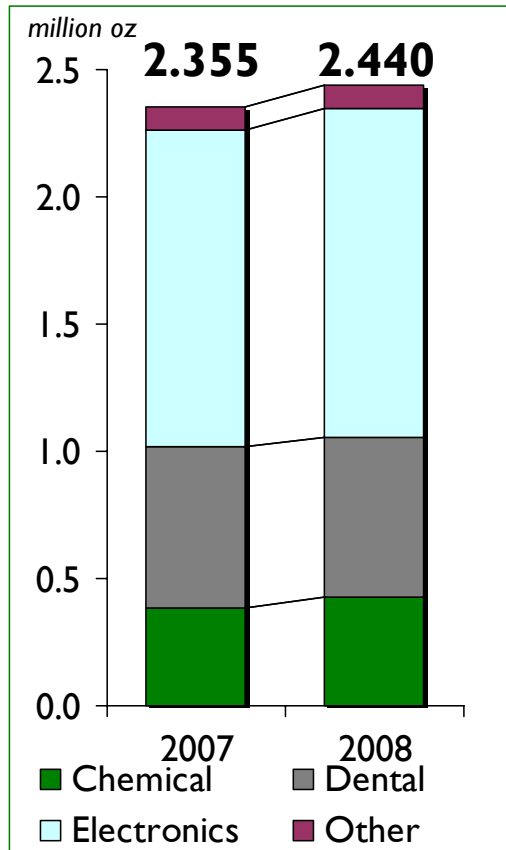


Palladium Demand: Jewellery



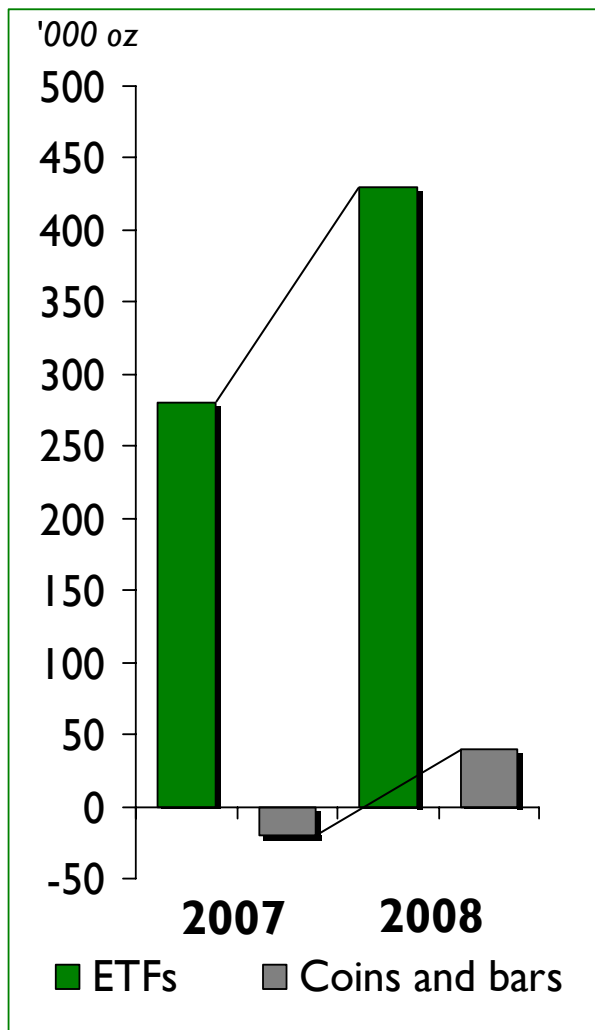
- Chinese new palladium purchases to climb by 50,000 oz to 550,000 oz
- Use of recycled old palladium stock diminishing
- European and North American demand set to rise
- Japanese demand expected to decrease

Palladium Demand: Industrial and Dental



- Chemical demand expected to rise to 425,000 oz
- Electronics demand to grow for seventh successive year, to 1.29 million oz
- Dental purchases forecast to shrink by 5,000 oz to 630,000 oz

Palladium Demand: Investment



- Palladium investment demand forecast to rise to 470,000 oz
- Demand through European ETFs to rise to 430,000 oz
- Demand from coins and bars in North America turns positive in 2008

Palladium Update

- Production to be reduced by temporary closure of North American Palladium
- Shutdown of Anglo Platinum's Polokwane smelter will increase pipeline stocks
- Jewellery demand in China has picked up sharply in the third quarter
- Automotive production weakening further
- Market still in small surplus in 2008

Palladium Outlook

- Palladium production expected to rise in 2009
- Size and fate of Russian stocks remains unclear
- Mixed prospects for industrial demand
- Jewellery demand likely to increase
- Continued substitution of platinum by palladium expected in diesel and gasoline sectors

Forecast Palladium Price for the Next 6 Months



Forecast Palladium Price for the Next 6 Months





Johnson Matthey

Rhodium

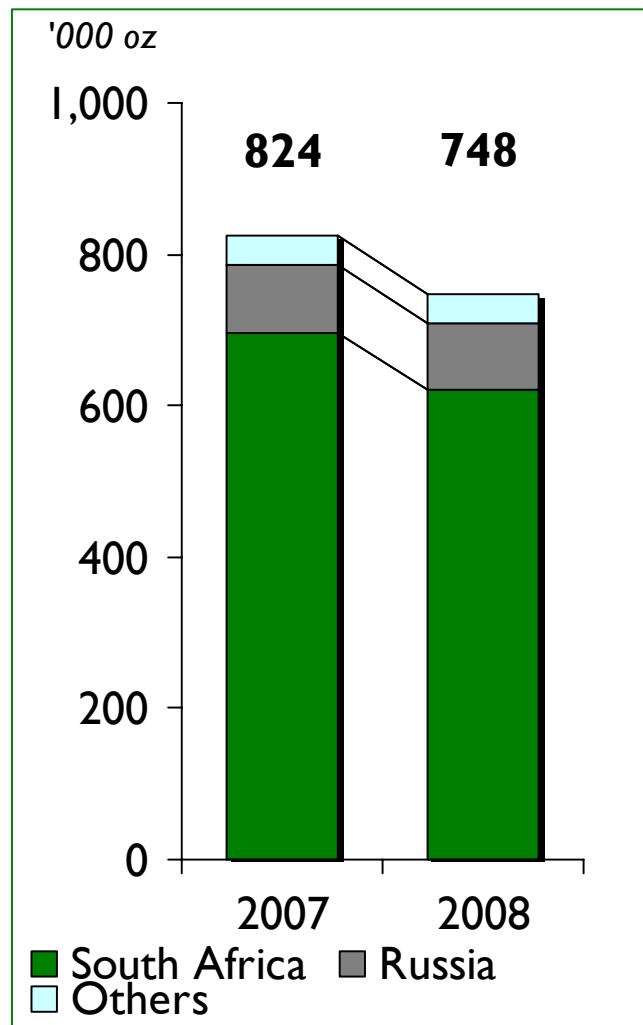


Rhodium



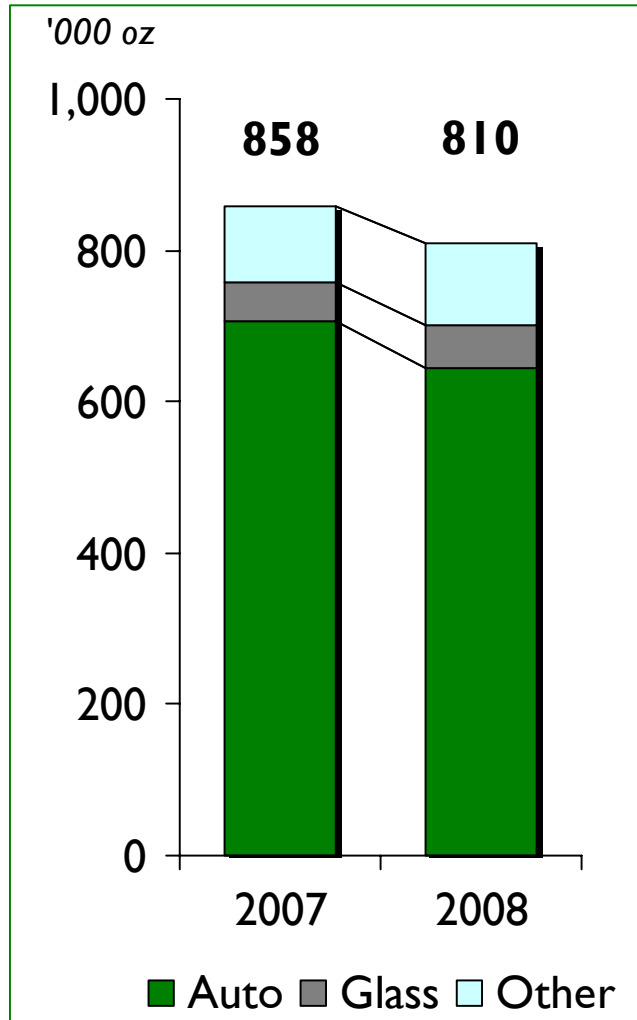
- Supplies set to fall to 748,000 oz
- Demand forecast to drop to 810,000 oz
- Market in deficit again in 2008, by 62,000 oz
- Price hits a series of records in early 2008
- Fund and other sales hit price in third quarter

Rhodium Supplies to Fall by 9.2%



- Global supplies to slip by 76,000 oz to 748,000 oz
- South African supplies forecast to decline to 620,000 oz in 2008
- Second half of 2008 expected to be stronger than first half
- Rhodium supplies from Russia to be unchanged at 90,000 oz.

Rhodium Demand to Decline by 5.6%



- Net demand expected to shrink by 48,000 oz to 810,000 oz
- Gross autocatalyst demand forecast to fall to 829,000 oz due to fall in North America
- Autocatalyst recycling will rise to 184,000 oz
- Glass demand predicted to grow to 57,000 oz

Rhodium Outlook

- Growth in vehicle manufacturing in China, Russia and elsewhere to support rhodium demand
- Thrifting in autocatalyst to continue
- Autocatalyst recycling volumes to increase
- Rhodium production to recover next year
- Market to be close to balance in 2009



Johnson Matthey

Platinum 2008 Interim Review



18th November 2008