

SUMMARY & OUTLOOK

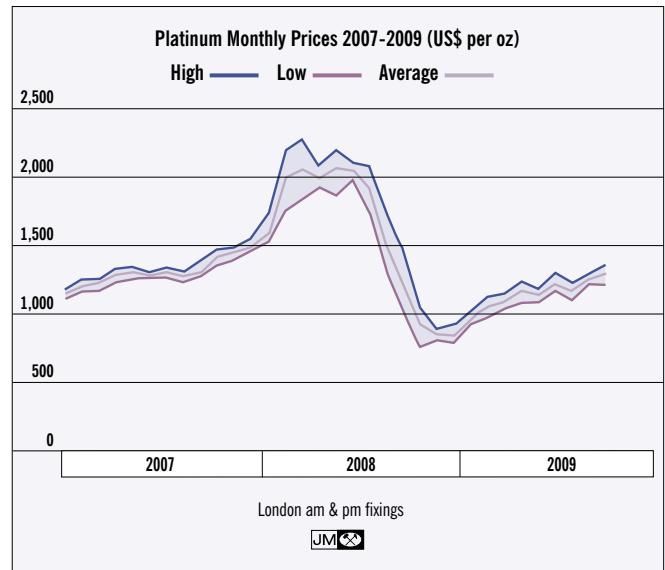
PLATINUM

Net global platinum demand is forecast to fall by 4.4 per cent to 5.92 million ounces in 2009. Gross automotive demand is set to drop 33.0 per cent to 2.48 million ounces, the lowest figure since 2000. Industrial demand will shrink by 31.5 per cent to an estimated 1.16 million ounces due to soft consumer demand and inventory reductions in many sectors. Physical investment demand is expected to rise by 13.5 per cent. Net platinum demand from the jewellery sector is set to increase by 79.5 per cent to 2.45 million ounces.

Platinum supplies are likely to rise by 1.9 per cent to 6.06 million ounces in 2009. Underlying production of metal will fall in South Africa due to shaft closures, accidents and strike action.

However, we expect sales to rise to 4.73 million ounces. Supplies of platinum from Russia are set to fall to 745,000 oz. Supplies from North America will also fall but platinum supplies from Zimbabwe and elsewhere will climb. The platinum market is therefore forecast to be in a small surplus of 140,000 oz in 2009.

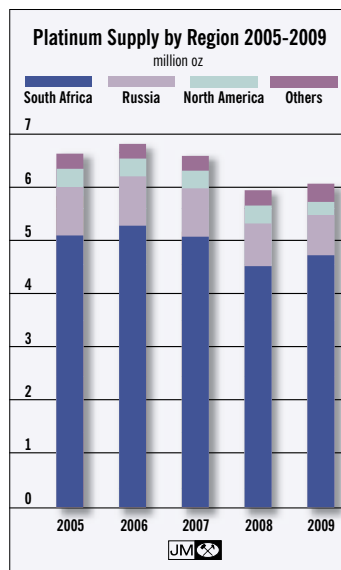
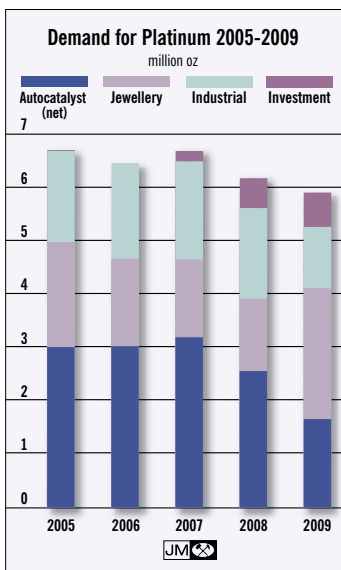
Despite this surplus, platinum gained 37.8 per cent in value in the first nine months of 2009, rising from an initial \$934 to end September at \$1,287. Short term market fundamentals seemed to have little impact on the price as a weak dollar and a strong gold price encouraged very substantial investor interest.



Supply

Platinum supplies are forecast to rise from 5.95 million ounces in 2008 to 6.06 million ounces in 2009, reversing some of the decline seen last year. Sales of metal from South Africa and Zimbabwe are likely to rise while supplies from Russia and North America will fall.

The South African mining industry has again been hit by a range of problems. Output at Impala will drop due to



mine accidents and industrial action. Production at Lonmin will be hit by the decision to cut some production at its Marikana operations and the placing of its Limpopo mine on care and maintenance. Aquarius too will produce less platinum due to the temporary closure of its Everest mine because of subsidence. Anglo Platinum's output will be affected by the closure of some uneconomic shafts at its Rustenburg operations but will nonetheless grow since some of the interruptions occurring during 2008 – such as the flooding at Amandelbult – are not expected to recur in 2009.

Three new mines have started operations in South Africa this year and a number of others have increased production. Despite this, output of platinum in concentrate will fall. However,

changes in pipeline and refined stocks mean that supplies should rise by 210,000 oz to 4.73 million ounces.

Supplies of platinum from Russia are forecast to fall by 8.0 per cent to 745,000 oz. Alluvial platinum production is likely to decline by 35,000 oz this year and lower platinum group metal grades in the ore mined at Norilsk Nickel's operations are set to drive its production down to roughly 600,000 oz. Platinum supplies from North America will decrease by an estimated 21.5 per cent to 255,000 oz. Output at Stillwater is expected to remain steady but the shutdown of North American Palladium's mine and the accelerated closure of a number of nickel mines will depress supplies. Zimbabwean output should rise by 45,000 oz to 225,000 oz due to expansion there.

Demand

Net demand for platinum is forecast to fall by 270,000 oz to 5.92 million ounces in 2009. Although poor economic conditions have affected most sectors, lower platinum prices have driven a rise in net jewellery demand and a fall in recycling of spent autocatalysts and other scrap material, limiting the overall drop in demand.

Gross autocatalyst demand is likely to fall by almost a third to 2.48 million ounces in 2009. The weak global economy has affected the car industry badly with vehicle production and sales dropping in most countries and platinum demand falling accordingly.

In Europe, weak consumer confidence has driven a move towards the smallest and cheapest vehicles. These are typically gasoline-fuelled and this has reduced the market share of the diesel engine, cutting platinum use. Platinum demand has been further affected by the ongoing introduction of palladium into the diesel market. So, despite a growing proportion of new diesel cars being fitted with platinum-containing particulate filters due to the new Euro 5 emissions rules, palladium has continued to erode platinum's dominance in this sector.

Lower metal prices and a steep fall in the number of vehicles scrapped will depress the amount of metal recovered from end-of-life automotive catalytic converters by 320,000 oz this year to an expected 800,000 oz.

Industrial demand will be negatively affected by the fragile global economy, shedding 530,000 oz to fall to only 1.16 million ounces this year. Net demand will fall in each of the chemical, electronics, glass and petroleum refining sectors. The sudden slowdown in consumer demand led to destocking of final products, intermediates and components in early 2009. Corporate credit remains hard to obtain and capital expenditure on new manufacturing capacity has fallen. Where facilities were already under construction, most have been completed, but demand for metal for new plants has fallen. With many factories operating at below full capacity, requirements for new metal to top up losses have also been low. However, demand has improved throughout the year in many sectors and will be stronger in the second half of 2009 than in the first six months.

Net jewellery demand has been particularly strong in 2009 and is expected to climb by 1.09 million ounces to 2.45 million ounces. Demand will fall in Europe and North America reflecting tough economic conditions. However, in Japan lower prices have reduced recycling flows. Although Japanese jewellery manufacturing levels will rise only slightly from last year, net demand will grow by 255,000 oz to 310,000 oz. More importantly, a lower platinum price has reignited demand in the Chinese jewellery sector which should leap by 900,000 oz to a record 1.75 million ounces this year. The lower metal price has encouraged manufacturers, wholesalers and retailers to replenish their stocks, particularly in the first half of 2009. Profit margins have also improved, attracting new manufacturers and retailers into the industry. With the retail price lower than in 2008, consumer purchases have increased strongly too. Although we expect industry restocking to slow in the second half of 2009, consumer purchasing should still maintain demand at close to record levels.

Physical investment demand should rise by 75,000 oz to 630,000 oz. Japanese investors seem set to purchase less platinum than in 2008 but this will be more than offset by higher net investment through Exchange Traded Funds in Switzerland and the UK.

| Platinum Supply and Demand '000 oz | | |
|---------------------------------------|--------------|--------------|
| | 2008 | 2009 |
| Supply | | |
| South Africa | 4,515 | 4,725 |
| Russia | 810 | 745 |
| North America | 325 | 255 |
| Others | 295 | 330 |
| Total Supply | 5,945 | 6,055 |
| Demand | | |
| Autocatalyst: gross | 3,700 | 2,480 |
| recovery | (1,120) | (800) |
| Jewellery | 1,365 | 2,450 |
| Industrial ¹ | 1,685 | 1,155 |
| Investment | 555 | 630 |
| Total Demand | 6,185 | 5,915 |
| Movements in Stocks | (240) | 140 |

¹ Industrial includes chemical, electrical, glass, petroleum refining and other industrial demand.

Outlook

The state of the global economy remains key to the prospects for the platinum market over the coming months. Economic activity is slowly recovering but remains some way below the levels of early 2008. Demand is, though, expected to improve as industry returns to more normal buying patterns: the spate of destocking in almost every sector now seems to be essentially complete, allowing demand to start to recover in many areas.

Autocatalyst demand is returning. Vehicle sales are expected to be higher in 2010 than in 2009 but are not likely to challenge pre-crisis levels for several years. However, the auto makers have run down stocks of vehicles to very low levels and manufacturing volumes now reflect sales patterns. With some countries already emerging from recession, consumer confidence should improve gradually with vehicle purchases rising, stock levels stabilising and platinum demand strengthening. However, the impact of the end of the various national scrappage schemes is hard to forecast. Some sales have been brought forward by these incentives, distorting the market. Anecdotal evidence suggests, though, that these schemes do create some new demand. If this proves to be the case, then demand will only weaken marginally and temporarily as these schemes come to an end.

Of particular relevance to platinum, the market share of diesel vehicles in Europe is expected to rise in 2010. A temporary reduction in consumers' willingness to spend drove a move to smaller cars and to cheaper (to buy) gasoline vehicles this year. However, as consumer confidence returns, the share of diesel vehicles is likely to recover back towards the fifty per cent mark. While this will boost automotive platinum demand, this will be tempered by continuing substitution by palladium for some of the platinum in the diesel sector.

The weight of platinum recovered from spent catalytic converters will resume its growth in 2010. As the number of new vehicles purchased increases, more old vehicles will find their way into the scrap market than in 2009.

The outlook for the physical investment sector is largely dependent on Exchange Traded Fund (ETF) investors. While there was heavy disinvestment from ETFs during late 2008, there has been substantial net investment this year, encouraged by a steadily rising price. The launch of a Japanese platinum ETF has had little impact on the market to date. However, the possible launch of a US-based ETF could be more significant. If this is approved – as currently seems likely – it could lead to several hundred thousand ounces of additional investment.

Jewellery demand seems likely to soften somewhat during the next year. The very strong levels of platinum demand in China this year were partly due to a high degree of stock building which is unlikely to be repeated in 2010. Additionally, the use of recycled metal is now growing once more, displacing some new metal demand. However, unless the retail price of platinum jewellery rises substantially, any further increase in recycling levels and any decrease in consumer purchasing of jewellery are set to be limited in scope. More importantly for the health of the industry, platinum has been successful in capturing market share from white gold, suggesting that underlying demand should continue to remain healthy over the coming year. As Europe and North America emerge from their recessions, jewellery industry demand for platinum should start to recover in each region.

Supplies of platinum are expected to grow in 2010. Many of the highest cost shafts and mines in South Africa have been shut this year in response to low prices and a strong Rand. We do not currently expect much more rationalisation, and increased production from some of the newer operations in South Africa and Zimbabwe, as well as a gradual recovery in supplies from some of the larger operations, should boost supplies.

Overall, the platinum market should tighten in 2010 and could move into a modest deficit as the world economy improves. These positive fundamentals might be expected to support the platinum price. However, with much of the price rise from September 2008 to September 2009 having been driven by a weak US Dollar, a strong gold price and by growing investor interest, external factors are likely to be more important.

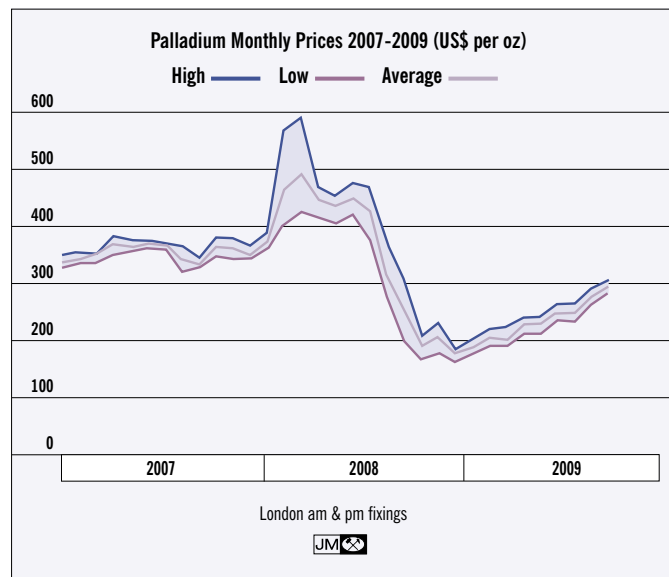
The prospects for the dollar are somewhat unclear but it currently seems that, despite very large long positions in the gold market, the price of that metal should gain support either from the threat of inflation or from worries over the health of the world's economy. If this proves to be the case, a recovery in demand for platinum could send it trading as high as \$1,550 during the next six months. If the dollar strengthens or investors reduce their exposure to gold, then the platinum price could suffer, falling as low as \$1,280 in the same period.

PALLADIUM

Net palladium demand is forecast to decrease by 3.8 per cent to 6.52 million ounces in 2009 with purchases hit by the global economic slowdown. Gross autocatalyst demand is set to fall by 12.7 per cent to 3.90 million ounces. Electronics demand will fall by 9.1 per cent to one million ounces. Dental demand should decrease by only 3.2 per cent to 605,000 oz and other industrial demand is expected to decline by 3.5 per cent to 415,000 oz. Investment demand is forecast to rise by half to 635,000 oz in 2009. In the jewellery sector, net palladium demand will climb in every region, rising 7.6 per cent to a combined 920,000 oz.

Supplies of palladium are forecast to decrease by 1.8 per cent to 7.18 million ounces. South African supplies should rise by 4.1 per cent to 2.53 million ounces. Supplies of palladium from North America will fall by 17.6 per cent to roughly 750,000 oz. Sales of metal from Russian primary production are expected to decline by 3.7 per cent to 2.60 million ounces. However, we also expect sales of 960,000 oz from Russian state stocks which will result in supply exceeding demand by 655,000 oz.

However, despite another year of oversupply in this market, investors showed substantial buying interest in palladium through the futures markets, via the Exchange Traded Funds and in physical form. Speculation over the size of remaining Russian state stocks supported the price as did a weak US Dollar and a strong gold price. Palladium firmed throughout the first nine months of the year as a result, starting 2009 at \$185 and climbing to end September at \$294 (before breaching the \$300 level decisively in October).



Supply

Supplies of palladium are forecast to decrease by 135,000 oz to 7.18 million ounces this year. Primary output – sales of metal from current mining operations – is likely to fall from 6.35 million ounces to 6.22 million ounces.

Palladium supplies from South Africa should rise by 100,000 oz to roughly 2.53 million ounces this year. Despite the range of challenges faced by the South African producers, increased output at Anglo Platinum's Mogalakwena operation and the newer mines will drive production of refined metal higher. Zimbabwean supplies of palladium are also expected to rise, by 35,000 oz, to 175,000 oz. North American supplies of palladium will fall this year, decreasing by an estimated 160,000 oz to 750,000 oz. North American Palladium placed its Lac des Iles mine on care and maintenance during late 2008 but we believe that some metal was refined and sold this year. At Stillwater Mining, increased output from the Stillwater mine will not quite balance the negative effects of lower production at its nearby East Boulder property. Additionally, the closure of a number of nickel mines in the Sudbury region of Ontario, and industrial disputes at other operations in this area, will further trim palladium supplies.

Sales of palladium from current mining in Russia – essentially from Norilsk Nickel's Russian operations – are forecast to fall to 2.60 million ounces this year. Although Norilsk Nickel is to trim its production of nickel, these cuts have come outside Russia and it will maintain domestic production. However, the highest pgm-content ore has been depleted over recent years and palladium grades will fall once again, depressing palladium production.

We continue to report sales of palladium from Russian state stocks as supplies since this metal has not previously been available to the market. Although little public information exists on the level of these sales, we estimate that the volumes sold will be similar to 2008 levels at some 960,000 oz in 2009.

Demand

Net global demand for palladium is set to decrease by 255,000 oz in 2009 to 6.52 million ounces due to the weakness in the global economy. Demand will fall in each of the autocatalyst, chemical and dental sectors. However physical investment demand and net jewellery demand are both expected to rise.

Global light duty vehicle production is expected to decline by some 16.1 per cent to 57.2 million units this year. Gross automotive palladium demand will fall but has been comparatively resilient, decreasing only by 12.7 per cent to 3.90 million ounces. In North America, a sharp fall in vehicle output and a trend towards smaller vehicles are set to drive gross demand down from 1.29 million ounces to 935,000 oz. Lower vehicle production will also negatively affect demand in Japan and the Rest of the World region. Chinese automotive demand will grow by 135,000 oz to 520,000 oz as government incentives and economic stimuli support vehicle sales in that country.

In Europe, despite a 18.3 per cent fall in light duty vehicle production, demand will fall only by 20,000 oz to 985,000 oz. The introduction of scrappage schemes in many countries stimulated sales of the smallest, cheapest vehicles. These cars are almost always gasoline-fuelled and this has therefore boosted the market share of the gasoline engine and supported palladium demand. Palladium has also benefited from its increased use in diesel oxidation catalysts and particulate filters, leading to only a marginal decline in demand. Palladium recovery from spent autocatalysts will decrease to 950,000 oz in 2009. The high prices drove the recycling industry to reduce its stocks of scrap catalysts in 2008, leading to record levels of recycling. With these stocks lower and fewer vehicles scrapped this year too, palladium recovery is expected to fall.

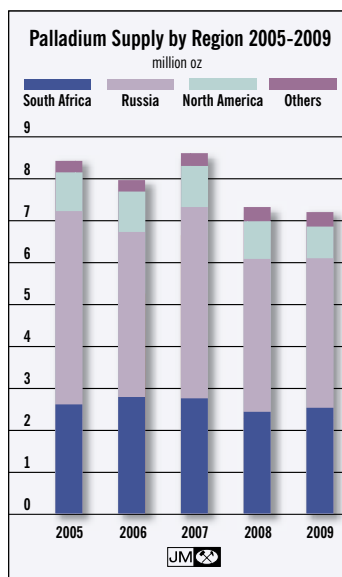
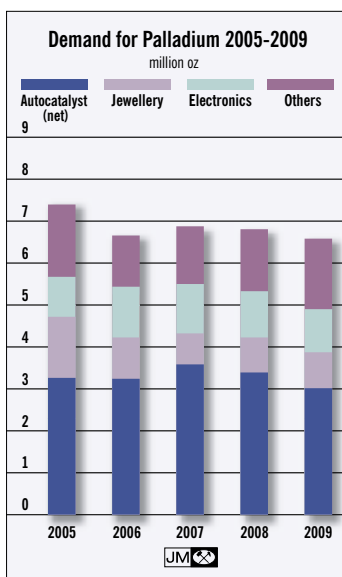
Palladium demand from the electronics industry is forecast to decrease by 100,000 oz to one million ounces this year. We have downgraded our figure for demand in 2008 as destocking began earlier in this industry than we had previously believed. Purchases of metal this year for lead frames and multi-layer ceramic capacitors will fall but, with destocking now complete, demand will be higher in the second half of 2009 than in the first half.

Net dental sector demand for palladium is expected to contract marginally to 605,000 oz. Despite some support in North America from the high price of gold and in Japan from reduced levels of recycling of Kimpala alloy, a slow decrease in the market share of precious metal-based dental treatments will depress demand.

Net jewellery demand is expected to climb to a global total of 920,000 oz. In Europe and North America, demand continues to grow steadily. The economic slowdown has helped palladium gain market share in men's wedding bands in North America while the approval of a palladium hallmark in the UK should help boost demand there. China, however, remains the largest jewellery market and while demand is expected to rise, this is due to

a fall in the recycling of old jewellery stock rather than to changes in manufacturing volumes. At the manufacturing level, a few companies have stopped producing palladium jewellery this year to focus on platinum but others appear to have gained market share as a result and production volumes should change little.

Physical investment demand for palladium is expected to increase by 215,000 oz to 635,000 oz for the year as a whole. Demand for coins and small bars should rise. However, strong growth in investment through Exchange Traded Funds will be more important, leading to anticipated demand of 540,000 oz. 2009 has seen additional activity through the London fund suggesting that the low metal price has attracted a number of new investors.



Outlook

The outlook for the palladium market is fairly positive over the next twelve months. Destocking of materials, components and end products in many industries has hit demand this year. While consumer demand is only expected to recover slowly in most major economies, destocking has slowed significantly. As a result, demand in many sectors should rebound in 2010.

In the automotive sector, 2009 has been a very difficult year and 2010 is also expected to be challenging. However, vehicle production volumes are expected to recover to some extent. Palladium demand for use in three-way (gasoline) catalytic converters is thus expected to rise next year in North America, Japan, China and the Rest of the World region. In Europe, the market share of the diesel engine is likely to rebound after a temporary fall this year, denting palladium purchases for use on gasoline vehicles. However, we anticipate that platinum/palladium diesel autocatalysts will be introduced on more models in the next twelve months and that the average palladium content of such catalysts will rise. The early stages of the Euro 5 light duty emissions rules will drive additional filter fitment on new vehicles in Europe, boosting palladium demand as well as platinum demand since many of these filters will contain some palladium.

Autocatalyst recovery volumes should return to growth as the effects of the run-down in stock levels of 2008 recede. Rising vehicle sales should boost scrappage rates and the weight of palladium reclaimed will climb.

After several years of development, the palladium jewellery market in China appears to have reached a relatively mature state. Palladium has established itself firmly at the retail level in smaller cities in Sichuan and several other provinces. Very little Pd950 (95 per cent purity) stock remains for recycling and demand is unlikely to decline. However, in the absence of further promotional efforts within this market, demand is expected to show only organic growth from today's levels. Outside China, considerable potential remains for growth. The introduction of a hallmark within the UK has provided a boost in that market and the growing familiarity of US jewellers with palladium alloys should see North American demand increase next year.

Chemical sector purchases of palladium should rise next year and electronics demand should rise too, reflecting a gradual recovery in consumer and industrial spending.

On the supply side, primary production of palladium looks set to rise modestly in the short term. South African supplies are expected to climb as some newer mines ramp up production, and output from some of the more established operations gradually recovers. In North America, palladium production is expected to remain roughly steady in the near term. Little change is currently expected in primary production within Russia.

With demand rising and only modest growth in primary supplies of palladium expected, we believe that the size and fate of any Russian state stocks of palladium are of great importance in supply terms. While these are clearly finite, we expect that some metal will again be sold in 2010. If this proves to be the case, then the palladium market is likely once again to be in surplus. Without such sales, a deficit can be expected.

This conflict between a fundamental surplus and a shortage of primary supplies (i.e. sales to the market excluding movements of state stocks) can be seen in the behaviour of the palladium price. The existence of a surplus has weighed on the price over recent years. However, investors seem aware of the imbalance between demand and mine production and hold bullish views for the palladium price over the longer term.

At the end of September 2009, investors held very large net long positions in palladium. If these funds maintain their buying activities, the palladium price is likely to perform well and could rise as high as \$390 over the next six months, particularly if it is supported by some recovery in vehicle production volumes. However, any liquidation of gold investment positions or a strengthening of the US Dollar against the Euro would drive the price lower, with the possibility that palladium could trade as low as \$290 during the same period.

| Palladium Supply and Demand '000 oz | | |
|--|--------------|--------------|
| | 2008 | 2009 |
| Supply | | |
| South Africa | 2,430 | 2,530 |
| Russia | | |
| Primary Production | 2,700 | 2,600 |
| State Sales | 960 | 960 |
| North America | 910 | 750 |
| Others | 310 | 335 |
| Total Supply | 7,310 | 7,175 |
| Demand | | |
| Autocatalyst: gross | 4,460 | 3,895 |
| recovery | (1,115) | (950) |
| Jewellery | 855 | 920 |
| Electronics | 1,100 | 1,000 |
| Other ¹ | 1,475 | 1,655 |
| Total Demand | 6,775 | 6,520 |
| Movements in Stocks | 535 | 655 |

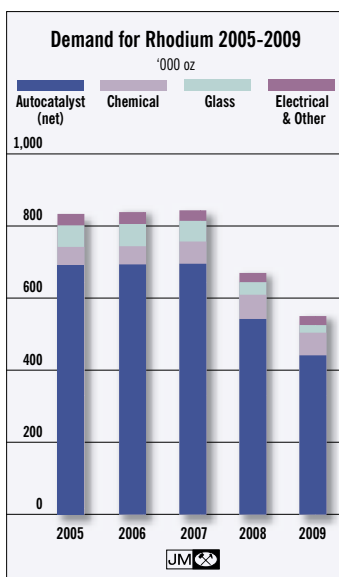
¹ Other includes physical investment, dental, chemical and other industrial demand.

OTHER PGM

Rhodium

Rhodium supply is set to rise by 3.5 per cent to an estimated 719,000 oz in 2009. Net demand for rhodium will be hit by soft purchasing by the automotive industry and is set to decrease heavily for the second successive year, falling 18.2 per cent to only 548,000 oz, the lowest figure for a decade. Overall, therefore, the rhodium market will be in substantial oversupply by some 171,000 oz this year.

Despite this surplus, the rhodium price appreciated by 32.0 per cent in the first nine months of 2009. It started 2009 at a Johnson Matthey Base Price of \$1,250 and the price was supported in the early months of the year by a lack of availability of metal recycled from spent autocatalysts. In the second and third quarters of 2009, weighty investor interest – particularly in Asia – drove the price upwards despite weak physical demand to end September at \$1,650.



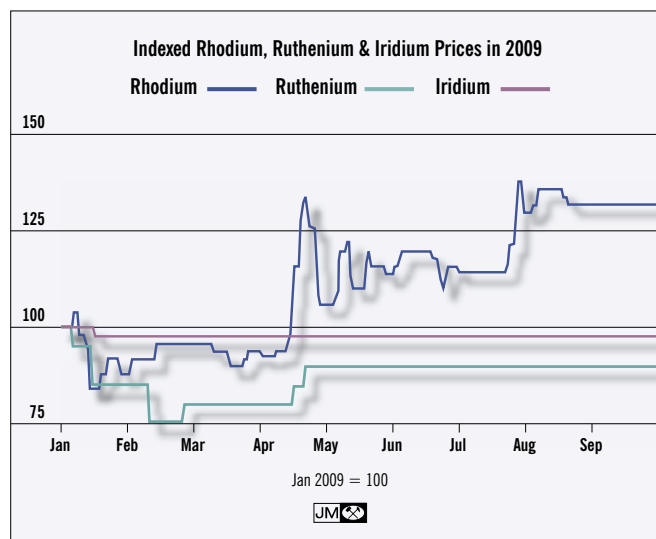
Global rhodium supplies are forecast to grow by some 24,000 oz to 719,000 oz in 2009 but will remain some way below the peak sales of 824,000 oz in 2007. Production of rhodium in concentrate from South Africa will fall. However, there were quite large additions to pipeline stocks during 2008 which we do not expect to be repeated in 2009. South African supplies are thus likely to rise to 620,000 oz. Russian supplies of rhodium are expected to decline to 65,000 oz. Rhodium supplies from elsewhere are set to fall by 2,000 oz to 34,000 oz.

Demand for rhodium is heavily dependent on the automotive sector with gross automotive demand having exceeded mine supply in recent years. The dramatic downturn in the world's automotive output has therefore hit rhodium demand especially hard. Global light duty vehicle production is forecast to fall by 16.1 per cent but gross automotive rhodium demand is set to decrease by 19.2 per cent to 618,000 oz. In large part, this fall in autocatalyst demand reflects the weakness in vehicle production. However, thrifting by auto makers and catalyst manufacturers is also having a negative effect. The high rhodium price from 2003 to mid-2008 drove concerted efforts to develop new, lower-rhodium catalysts which are being introduced progressively into the market, bringing down the average rhodium content of a new vehicle despite some support from new emissions legislation.

Rhodium recovery from spent autocatalysts is forecast to slip from 224,000 oz last year to 181,000 oz this year. Poor vehicle sales have hit the number of older vehicles scrapped. With fewer spent autocatalysts available for recycling, the weight of metal refined fell sharply in the first half of the year although it has since risen to healthier levels.

Demand for rhodium from the chemical sector will slip marginally to 66,000 oz. In the glass sector, demand will fall from 34,000 oz to 21,000 oz. There has been a rapid slowdown in the construction of new glass manufacturing capacity this year but the low price of rhodium has encouraged some companies to increase the rhodium content of their alloys, supporting demand at this level.

Anecdotal evidence suggests that the rhodium price was supported by significant volumes of short term investment by private investors in China and elsewhere in Asia during the middle of 2009. Since we believe this is speculative in nature, we exclude

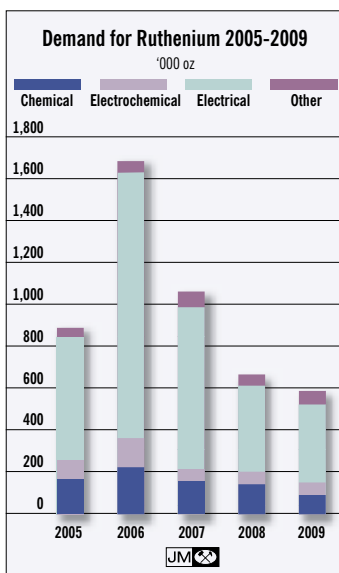


it from our estimates for demand.

Rhodium demand should increase over the next twelve months. We expect a return to growth in the glass industry with new fibre glass and LCD glass capacity installed. More importantly in the automotive sector, the rebuilding of vehicle inventories and a return to more normal consumer purchasing will increase gross demand. Nonetheless, recovery of vehicle output is expected to be slow and the effects of thrifting are likely to limit growth in metal usage in the short term. Recycling of rhodium from end-of-life autocatalysts will rise and with supplies from South Africa set to climb, the rhodium market will be in fundamental surplus during 2010 although the price may continue to derive support from the investment community.

Ruthenium

Net ruthenium demand is forecast to fall by 12.3 per cent to 583,000 oz in 2009 due to the economic downturn. Ruthenium started 2009 at a weak \$100, having already suffered from a slowdown in net purchasing by the hard disk sector. However, with the global economy weak and industrial demand soft, the price ended September \$10 lower at \$90.



Ruthenium demand reached a record level in 2006 as the hard disk sector built stocks of this metal for use in new perpendicular magnetic recording (PMR) technology. This has continued to capture market share: it represented roughly 85 per cent of the entire market at the start of 2009 and will have progressed to almost a 100 per cent share by the end of the year. Although the electronics industry struggled with very low output in the first quarter of the year, consumer purchases of PCs are expected to be level with 2008 figures for the year as a whole. As a result, the amount of ruthenium actually deposited onto hard disks will increase. However, with additional refining capacity having been introduced for scrap material, manufacturers of hard disks and their precursor sputtering targets were able to meet most of their metal requirements by using recycled material and net demand for ruthenium will fall. Metal purchases for use in chip resistors will also decline and overall ruthenium demand from the electronics industry is set to fall by 9.0 per cent to 373,000 oz.

Chemical sector demand is likely to fall by 36.0 per cent to 89,000 oz. Electrochemical demand will decrease by 6.6 per cent to 57,000 oz although demand is being supported by a move away from mercury-based technology in the chlor-alkali industry. Other demand for ruthenium should rise by 16.4 per cent to 64,000 oz. We expect ruthenium demand to improve over the next twelve months as the

electronics sector recovers despite a less positive outlook for chemical sector demand.

Iridium

Iridium demand is set to decline by 22.5 per cent to 79,000 oz this year due to falling purchases by the electronics and automotive industries. This weak industrial demand affected the price of iridium. It started the year at \$435 and quickly stepped down to \$425 in mid-January. It remained at this level until the end of September.

Chemical and electrochemical demand for iridium are expected to remain fairly flat at 21,000 oz and 23,000 oz respectively due to the completion of new facilities for acetic acid production and for the chlor-alkali process. Iridium purchases by the electrical sector will fall from 15,000 oz to 7,000 oz due to a fall in demand for iridium crucibles which are used in the manufacture of high-grade metal oxide single crystals. Demand from other applications – primarily for automotive spark plugs – will fall to 28,000 oz. We expect iridium demand to recover somewhat in 2010 as the health of the global economy improves.

