



Publication of *Platinum & Palladium Survey 2008*

South African safety issues, strikes and skilled labour shortages push global platinum mine output down by 6% in 2007. Palladium production meanwhile dropped by 4% due mainly to reduced supply from South Africa and Russia.

GFMS, the leading precious metals consultancy, launched its fifth annual report on the world's platinum and palladium markets, *Platinum & Palladium Survey 2008*, at events in London and Johannesburg today. One of the key findings of the survey is that both global platinum and palladium mine production registered sharp declines, at 6% and 4% respectively last year.

For **platinum**, these results were primarily attributable to South Africa, where a combination of safety-related mine suspensions, strike action and a shortage of skilled labour led to a sharp downturn in production. Strike action and a deficit of skilled labour were also prevalent in the United States, which registered a 13% decline in production from 2006 levels. Canadian platinum production meanwhile fell by 10%.

The drop in **palladium** production was also mainly due to reduced output from South Africa. In Russia, output fell modestly, as the world's largest palladium producer, Norilsk Nickel, undertook upgrade work at a number of its operations. Canada saw an improvement from last year, which served to modestly offset losses elsewhere. Zimbabwean production in both platinum and palladium has remained stable, and output from the country is currently expected to increase modestly this year for both metals.

GFMS report that global platinum equivalent costs have risen by 12%. As articulated in full in the company's *Platinum & Palladium Survey 2008*, this cost analysis is calculated on an equivalent platinum ounce basis, to achieve a more uniform benchmark across the regions. Cost increases were widely linked to high staff turnover and the ongoing inflation in mining consumables.

Turning to the 2008 outlook for platinum mine production, Senior Consultant Peter Ryan commented on the significant uncertainty surrounding South Africa's power supplies and the underlying challenges of safety management and skills shortages. "Based on currently available information, we see a greater risk to the downside, and would suggest that production remaining flat year-on-year would be a very good achievement given the issues faced since January".

© Copyright GFMS Limited - April 2008.

Whilst every effort has been made to ensure the accuracy of the information in this document, GFMS Ltd cannot guarantee such accuracy. Furthermore, the material contained herewith has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient or organisation. It is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any commodities, securities or related financial instruments. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein. GFMS Ltd does not accept responsibility for any losses or damages arising directly, or indirectly, from the use of this document.

Platinum & Palladium Survey 2008 contains 84 pages of statistics, commentary and analysis on all aspects of world platinum & palladium supply/demand and on PGM prices in various currencies. The publication can be ordered from GFMS for £325 / US\$595 / €440 per copy. For orders and to receive further product information please contact Elena Patimova
Tel: +44 (0)20 7478 1777, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk, Web Site: www.gfms.co.uk,
Online Shop: <http://shop.gfms.co.uk>

Note to Editors about GFMS Limited:

GFMS Limited is the world's foremost precious metals consultancy, specialising in research into the global gold, silver, platinum and palladium markets. GFMS is based in London, UK, but has representation in Australia, China, India, Spain, Germany, France and Russia, and a vast range of contacts and associates across the world.

Press Contacts: Peter Ryan, GFMS Limited, Hedges House, 153-155 Regent Street, London, W1B 4JE, UK,
tel: +44 (0)20 7478 1777, fax: +44 (0)20 7478 1779, email: info@gfms.co.uk, web site: www.gfms.co.uk

