
PRESS RELEASE

London, 18 May 2015

Global Platinum market remains in deficit during Q1 2015

Deficit up from Q4 2014 on growth in jewellery and autocatalyst demand

Weaker prices reduced recycle supply; mining supply flat

London, 18th May 2015: The World Platinum Investment Council (WPIC) today announces the publication of its third *Platinum Quarterly* - the first independent, freely-available, quarterly analysis of the global platinum market. The report incorporates analysis of platinum supply and demand during the first quarter of 2015.

Platinum Quarterly is a WPIC publication. It is based upon research and detailed analysis commissioned with, and conducted by, SFA (Oxford), an independent authority on the platinum group metals market.

Overview of key data presented in *Platinum Quarterly*:

The global platinum market remained in deficit during the first three months of 2015 with an estimated shortfall of 160 koz.

Today's report highlights a number of key drivers behind the continued deficit including:

- Increased jewellery demand as fabricators in China restocked following the Chinese New Year period and a decline in jewellery recycling levels in a weaker price environment.
- Total mining supply remained largely flat compared to the final quarter of 2014 as increased output in South Africa and Zimbabwe was offset by declines in other regions.
- Lower recycle supply as the fall in jewellery recycling exceeded the slight increase in autocatalyst recycling.
- Over the remaining quarters of 2015 supply is forecast to closely match demand.

PRESS RELEASE

London, 18 May 2015

Total global supply of platinum was 1,835 koz during the first quarter of 2015, with total mining supply estimated at 1,385 koz.

- South African refined production continued to recover from the 2014 strike rising to 995 koz, up 2% from the final quarter of 2014.
- While supply from Zimbabwe increased 16% to 110 koz, supply from non-Southern African regions collectively declined 10% to 310 koz, both compared to the final quarter of 2014.
- Supply from recycling decreased 6% quarter-on-quarter to 450 koz and included a 3% increase in supply from spent autocatalysts from a weak final quarter of 2014. Supply was also impacted by a 23% fall in jewellery recycling following lower retail sales in China.

Total global demand of platinum was 1,995 koz during the first quarter of 2015, up 75 koz compared to the final quarter of 2014

- The first quarter of 2015 saw autocatalyst demand increase by 5% quarter-on-quarter to 825 koz, buoyed by increased European car sales and the roll-out of Euro 6-compliant catalyts.
- Platinum jewellery demand for the first quarter is estimated at 750 koz, as jewellery manufacturers increased inventory levels after the Chinese New Year.
- India continues to be a standout growth market for platinum jewellery with retail sales continuing to climb in the first quarter of 2015.
- ETF sales exceeded purchases in all the major investment regions in the first quarter of 2015 and reduced ETF holdings by 50 koz compared to the 30 koz reduction in the final quarter of 2014.
- Bar and coin purchases amounted to 35 koz in the first quarter of 2015, a similar level to the previous quarter.

Today the WPIC also revises down its full year 2015 global platinum market deficit forecast to 190 koz from the 235 koz forecast at the end of 2014.

- The total supply forecast remains unchanged at 7,965 koz as higher projected mining supply is offset by a reduction in secondary supply from higher levels of autocatalyst recycling.
- The reduction in the demand forecast is primarily due to a downward revision to industrial demand in China based on lower predicted economic growth in 2015.

Paul Wilson, chief executive officer of WPIC commented:

“Today we publish the third edition of *Platinum Quarterly*, which shows that demand growth in the first quarter of 2015 exceeded supply growth, increasing the deficit when compared to the last quarter of 2014. Demand from the automotive, jewellery and industrial segments are all expected to rise in 2015 when compared to 2014, with an increase in investment anticipated for the balance of 2015.

PRESS RELEASE

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We believe that our commitment, through *Platinum Quarterly*, to provide the market with greater insight is vital to the long-term understanding of the platinum market. We plan to build on our published quarterly data series to provide the market with further insight into seasonality and long-term thematic trends. We look forward to supporting market participants make better informed choices about platinum and, in doing so, help to stimulate sustainable investment demand.”

To download this edition of *Platinum Quarterly* and/or subscribe to receive the research in the future, please visit our website: www.platinuminvestment.com

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Notes to Editors:

About the World Platinum Investment Council

The World Platinum Investment Council Ltd. (WPIC) is a global market authority on physical platinum investment, formed to meet the growing investor demand for objective and reliable platinum market intelligence. WPIC’s mission is to stimulate global investor demand for physical platinum through both actionable insights and targeted product development. WPIC was created in 2014 by the six leading platinum producers in South Africa: Anglo American Platinum Ltd, Aquarius Platinum Ltd, Impala Platinum Holdings Ltd, Lonmin plc, Northam Platinum Ltd and Royal Bafokeng Platinum Ltd.

For further information, please visit: www.platinuminvestment.com

WPIC’s offices are located at: 64 St James’s Street, London, SW1A 1NF.

About SFA (Oxford)

Founded in 2001, SFA (Oxford) is regarded as one of the most important independent authorities on the platinum group metals market. The company’s in-depth market research and integrity is underpinned by extensive consulting from mine to market to recycler, as well as an unrivalled global industry network.

SFA have a team of eleven dedicated PGM analysts with wide and varied industry expertise and knowledge, each one specialising in a core area of the value chain, as well as many internationally-based associates. SFA is able to provide its clients with answers to the most difficult questions affecting the future of the industry.

PRESS RELEASE

London, 18 May 2015

For more information go to: <http://www.sfa-oxford.com>

About Platinum

Platinum is one of the rarest metals in the world with distinctive qualities making it highly valued across a number of diverse demand segments. Platinum's unique physical and catalytic properties have established its value in industrial applications. At the same time, its unique precious metal attributes have made it the premier jewellery metal.

Platinum's supply comes from two main sources: primary mining output, and recycling, which typically comes from end of life auto catalysts and jewellery recycling. Over the last five years, between 72% and 77% of total annual platinum supply (in refined ounces) has come from primary mining output.

Global demand for platinum is growing and becoming more diverse. There are four core segments of platinum demand: automotive, industrial, jewellery and investment demand.

Platinum demand from autocatalysts has equated to between 37% and 41% of total demand in the last five years. Platinum's diverse other industrial uses account on average for a little over 20% of total global demand (five year average). Over the same period, global annual jewellery demand has averaged 34% of total platinum demand. Investment is the smallest category of platinum demand and also the most variable over the past five years, ranging between 2% and 11% of total demand.