

11th September 2011

Dear Member,

Recently the crunch of metal against metal, when two tankers collided in front of my new [FAW Hongqi](#) limousine on a Henan highway, created a jam of unimaginable proportions. Whilst waiting for the road to clear I had cause to ponder the wider world. With a sufficient supply of Krug in the boot of vehicle I was able to reflect deeply.

This past year has been the cloud in the golden lining of the GFC. Despite a Royal wedding to raise morale and a gold price that has done wonders, certain events during the past year have changed the world, maybe irreversibly. Portugal's bail-out, Greek debt woes, talk of replacing the magnificent QE2 with a QE3, floods in Queensland and Brazil, the New Zealand earthquake and the tragic Tōhoku earthquake and tsunami in Japan have all been sobering reminders of our fragile world.

Political turmoil in Iran, Egypt, Libya, and Syria, and a rather disappointing LSE listing of a certain company, are just a few of the issues that have turned my once profitable world upside down even more.

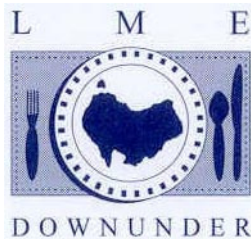
In such circumstances I need relief! Madame Chairman IV misunderstands me when I say this. What I mean is TAX relief! But will anyone listen? It seems not.

In Australia, Altona Ginger continues to clamour for more, not less tax. In Peru, the miners have been "Humala-iated" by new taxes. In Zimbabwe I have had to divest 51% of what I own. In DRC, I have to pay USD60 per tonne of tax on concentrates exported, and in Zambia I have to pay many billions of kwacha in tax arrears. In Brazil, they want to make it easier to raise royalties. Even in Russia I have to pay 10% export duty on Copper & Nickel. I am now seriously considering boycotting my purchases of Krug as M. Sarkozy recently suggested the need to "generate increased commodity market transparency". UNCTAD also has said that commodity markets need oversight and more transparency and intervention. Sacré bleu!

So it seems that Tax is the new black. Even here in China my old friends have decided to impose a tax on Mooncakes for this week's mid-Autumn festival. As fond as I was of Mdm Chairman III, she used to consume mooncakes by the dozen and this was just one of the reasons why we parted company - not least because I could see my hard-earned profits going into the tax coffers!

To help us all make some cents, or rather sense, out of these issues, please join me at the **Twenty-Fourth Annual LME Downunder Dinner** in Melbourne on **Wednesday 2nd November 2011 at 7.00pm**. In accordance with established tradition, the dinner will be held on the day after The Melbourne Cup, and the venue is once again the magnificent **Plaza Ballroom of the Regent Theatre, Collins Street, Melbourne**.

Because of the difficulties facing us in Australia and globally we have called in the big guns in an effort to explain things in the short time we have available together. It is my honour to announce that **Mr Mitch Hooke, Chief Executive of the Minerals Council of Australia**, will be our guest speaker. This man



Hooke is someone to whom we should really pay attention. Nothing short of a death in the family should keep you from hearing his view of the world (and even then, it would have to be a close relative)!

I have also implored my old friend Bender at the LME to send one of his senior chaps to our small gathering. He hasn't let me down and will despatch to Melbourne no less than **Mr Martin Abbott, Chief Executive of The London Metal Exchange**. It is indeed a great honour for us to have him with us and I feel sure he can enlighten us all with his global perspective of the metals trade.

Administratively, I find that I haven't been able to satisfy my staff like I used to in the old days. You can imagine my shock upon learning that our secretary Miss R. Espiti wanted to take up a position in the Australian Tax Office. "Tax" is a three letter word to me, so I had no choice except to release Rosa from her employment. After another exhausting interview process I am happy to welcome **Ms Molly Bedenham** to our organisation. She's a diminutive newcomer to the LME world, but with enough spunk to handle my demands and your enquiries about the dinner. I will do my best to give her a good induction to our business on your behalf.

Registration for this year's dinner is electronic, and you are asked to register and pay for attendance at our dinner by visiting www.lmeddu.com as soon as possible, but no later than 14th October.

Please follow the registration and payment instructions on the website.

Payment is by **Visa** or **Mastercard** and the price for this year's dinner remains **A\$150.00 per person, inclusive of GST**.

A surcharge of A\$25.00 will be imposed for those who book after 14th October 2010 and kindly note that no refunds can be provided for any cancellation requests received after 20th October.

On acceptance of your payment you will be emailed an entrée card as confirmation of your attendance.

Enquiries can be emailed to secretary@lmeddu.com.

Please register early ONLINE at www.lmeddu.com.

I very much look forward to your support this year, for the **24th LME Downunder Dinner**.

Long live the cycle!

The Chairman