

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about its contents, or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000.

If you have sold or transferred all your shares in Johnson Matthey Public Limited Company, you should pass this document and the accompanying documents to the purchaser or transferee or to the person through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.



Johnson Matthey

2-4 Cockspur Street, Trafalgar Square, London SW1Y 5BQ
Telephone 020 7269 8400 Fax 020 7269 8433

13 June 2005

Dear Shareholder

Annual General Meeting

The 2005 annual general meeting of the Company ("AGM") is to be held at The Institution of Electrical Engineers (Lecture Theatre), Savoy Place, London WC2R 0BL on Tuesday 19 July 2005 at 12.00 noon. The formal Notice convening the meeting is set out on pages 4 to 7 of this document. This circular provides you with an explanation of resolutions 2, 4 to 6, and 8 to 12 and of the action you should take.

Resolution 2 – Directors' remuneration report

Resolution 2 is an ordinary resolution to approve the directors' remuneration report for the year ended 31 March 2005.

This resolution is in compliance with The Directors' Remuneration Report Regulations 2002 which require quoted companies to put their directors' remuneration report to a vote at their annual general meeting. The directors' remuneration report, which summarises the Company's policy on directors' remuneration, is shown on pages 43 to 48 of the 2005 Annual Report.

Resolutions 4 to 6 – Re-election of directors

These are ordinary resolutions which deal with the re-election of Mr DW Morgan, Mr AM Thomson and Mr RJW Walvis who, retiring by rotation, offer themselves for re-election. Biographical details of all the directors are set out on pages 34 and 35 of the 2005 Annual Report. Mr Thomson is chairman of the Audit Committee and a member of the Management Development and Remuneration and Nomination Committees. Mr Walvis is a member of the Audit, Management Development and Remuneration and Nomination Committees.

The board considers both Mr Thomson and Mr Walvis to be independent directors and, following formal evaluation (as referred to on page 38 of the 2005 Annual Report), that their performance continues to be effective and to demonstrate commitment to the role of non-executive director, including commitment of time for board and committee meetings.

Resolution 8 – Political donations

Resolution 8 is an ordinary resolution concerning Part XA of the Companies Act 1985 (as amended) (the "Act"), which was inserted by the Political Parties, Elections and Referendums Act 2000. Any donations to political organisations in excess of an aggregate of £5,000 in any twelve month period or any political expenditure by the Company and its subsidiaries must be authorised by the Company's shareholders.

The Company and its subsidiaries did not make any donations to political organisations in the last financial year and do not intend to do so in the current year. However, the very broad definitions of “donations”, “EU political organisations” and “EU political expenditure” under Part XA of the Act mean that what might otherwise be regarded as normal expenditure and activities (such as certain donations to charities or allowing employees leave to attend civic duties) may be construed as being covered by the legislation. To avoid the possibility of inadvertently contravening the Act, the directors consider that it would be prudent, as a precautionary measure, to follow the procedure specified in the Act to obtain shareholders’ approval for the Company to make donations to EU political organisations up to a maximum of £50,000 and to incur EU political expenditure of up to a maximum of £50,000 in the forthcoming year. The resolution does not purport to authorise any particular donation or expenditure but is in general terms as required by the Act.

Resolution 9 – Authority to allot relevant securities

Resolution 9 is an ordinary resolution to renew the authority of the directors to allot securities under section 80 of the Act. At the annual general meeting in July 2004, the directors’ authority to allot securities was extended to five years from the date of that meeting. It is now proposed to extend that authority so that it applies until the conclusion of the next annual general meeting of the Company and so that the maximum aggregate nominal value of securities which may be allotted will be £72,014,017, which is the nominal value of the existing authorised unissued ordinary share capital and represents 32.80% of the Company’s issued ordinary share capital at 27 May 2005. The directors have no present intention to exercise the authority.

Resolution 10 – Dis-application of pre-emption rights

Resolution 10 is a special resolution to renew the authority of the directors, under section 95 of the Act, to allot equity securities for cash without first offering them pro rata to existing shareholders as otherwise required by section 89 of the Act. The authority sought is limited to issues of equity securities (a) in connection with a rights issue or (b) otherwise than in connection with a rights issue, up to an aggregate nominal amount of £10,976,799 (being equivalent to 5% of the Company’s issued ordinary share capital at 27 May 2005). The renewed authority would expire at the conclusion of the next annual general meeting of the Company. The directors may use the statutory authority to allot shares without complying with section 89 of the Act in relation to a sale of treasury shares. As at 27 May 2005, the Company did not hold any treasury shares.

Resolution 11 – Purchase of own shares

Resolution 11 is a special resolution to renew the authority granted to the directors at the annual general meeting in July 2004 for the Company to make purchases of its own ordinary shares through the market. The renewed authority would expire at the conclusion of the next annual general meeting of the Company. The maximum aggregate number of ordinary shares which may be purchased would be 21,953,598 (representing 10% of the Company’s issued ordinary share capital at 27 May 2005).

Any shares purchased would either be cancelled, with the number of shares in issue being reduced, or would be held by the Company as treasury shares. Any such shares held in treasury for the purpose of the Company’s employee share schemes would count towards the limits in such schemes.

The total number of options held over ordinary shares under the Company’s executive share option schemes was 7,261,481 at 27 May 2005, representing 3.31% of the Company’s issued ordinary share capital at 27 May 2005. This would increase to 3.68% if the authority to buy back shares under this resolution were to be used in full.

The minimum price that could be paid for an ordinary share would be 100p and the maximum price would be an amount equal to 105% of the average of the middle market quotations for an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share was contracted to be purchased, in each case excluding expenses.

The directors would only exercise this authority after taking account of the overall financial position of the Company and in circumstances where they believed that to do so would result in an increase in earnings per share and be in the best interests of the shareholders generally. The directors expect that the consideration for such purchases would be defrayed by utilising the distributable reserves of the Company.

In its 2004 Interim Report, the Company announced its intention to use the cash generated from the proceeds of the programme to improve the returns on underperforming assets to buy back shares. During the period from 28 February 2005 to 16 March 2005 the Company purchased 1,604,000 of its ordinary shares for an aggregate consideration of £16.3 million. All of the purchased shares were cancelled.

Resolution 12 – Indemnities for directors and officers

An amendment to the Act, which came into force on 6 April 2005, has widened the permitted scope of an indemnity which can be granted by a company to its directors and officers. In particular, the new legislation (section 19 of the Companies (Audit, Investigations and Community Enterprise) Act 2004) now allows a company to indemnify directors for liabilities to third parties even where that director is unsuccessful in defending the claim against him and to pay certain directors' defence costs as they are incurred in civil or criminal cases. The prohibition contained in the previous legislation has been amended so that it applies only to auditors and the new legislation allows companies to indemnify the company secretary and other officers. Indemnities cannot extend to liability incurred by the indemnified person to the company or any associated company of which he is a director or officer, to fines in criminal proceedings or penalties imposed by regulatory authorities, to costs incurred in criminal proceedings where the director is convicted, or to costs incurred in civil proceedings brought by the company or an associated company where judgement is given against the individual concerned.

Article 148 of the Company's Articles of Association currently provides an indemnity by the Company, subject to the provisions of the Act, in favour of the directors, the company secretary and the Company's other officers and its auditors and managers in the limited circumstances permitted under the previous legislation.

Under two deeds of indemnity entered into on 11 May and 20 July 2004 (the "Deeds"), the Company agreed to provide indemnities (within the scope of the existing Article 148 and subject to the provisions of the Act) to the non-executive directors and to the executive directors and officers of the Company and of other Group companies. The indemnities do not apply to any claim which arises out of fraud, wilful default, gross negligence or breach of fiduciary duty nor to the extent that any recovery is made under any insurance policy by the indemnified person.

The board believes that it is in the Company's best interests to take advantage of the change in the law. Resolution 12 is a special resolution to replace the existing Article 148 with a new Article 148 which will take advantage of the changes to the Act. To ensure that the board is able to exercise its powers under the new Article notwithstanding directors' personal interests in the provision of the indemnities, the proposed new Article 148 allows each of the directors to vote and be counted in the quorum at any meeting of the board or a committee of the board considering a proposal for an indemnity unless he is to receive a privilege or benefit not generally available or awarded to any other director.

Subject to the passing of Resolution 12, the board intends to replace the existing Deeds with new deeds of indemnity to reflect the provisions of the amended Act and the proposed new Article 148. Any such indemnities would otherwise be on terms similar to those in the existing Deeds and would, for example, not apply to any claim arising out of the indemnified person's fraud, wilful default, gross negligence or breach of fiduciary duty.

Action to be taken

You will find enclosed a reply-paid form of proxy for use in connection with the AGM. Whether or not you are able to attend, you are requested to complete the form of proxy and return it to Lloyds TSB Registrars as soon as possible and, in any event, so as to arrive by no later than 12.00 noon on Sunday 17 July 2005. Alternatively, shareholders may register the appointment of a proxy electronically by logging onto Lloyds TSB Registrars' website www.sharevote.co.uk. Electronic proxy appointments must also be received by Lloyds TSB Registrars by no later than 12.00 noon on Sunday 17 July 2005. Proxy voting in respect of uncertificated shares may also be registered through CREST – see note 5 on page 7 of this document. The completion and return of a form of proxy or the giving of an electronic proxy instruction will not preclude you from attending and voting in person if you so wish.

Recommendation

The directors consider that all the proposed resolutions set out in the Notice of Annual General Meeting following this circular are in the best interests of the Company and of its shareholders as a whole and they recommend that you vote in favour of them, as each of the directors intends to do in respect of his own beneficial holding of shares in the Company.

Yours sincerely



Michael Miles OBE
Chairman



Johnson Matthey

Notice of Annual General Meeting

Notice is hereby given that the one hundred and fourteenth Annual General Meeting of Johnson Matthey Public Limited Company will be held at The Institution of Electrical Engineers (Lecture Theatre), Savoy Place, London WC2R 0BL on Tuesday 19 July 2005 at 12.00 noon to consider and, if thought fit, to pass the following resolutions:

Ordinary Resolutions:

1. That the Company's annual accounts for the financial year ended 31 March 2005 together with the directors' report thereon and the auditors' report on those accounts be received.
2. That the directors' remuneration report for the year ended 31 March 2005 and the auditors' report on the auditable part of the directors' remuneration report be received and approved.
3. That a final dividend of 19.0 pence per share on the ordinary shares of the Company in respect of the year ended 31 March 2005 be declared.
4. That Mr DW Morgan, who retires by rotation, be re-elected a director of the Company.
5. That Mr AM Thomson, who retires by rotation, be re-elected a director of the Company.
6. That Mr RJW Walvis, who retires by rotation, be re-elected a director of the Company.
7. That KPMG Audit Plc be and is hereby re-appointed as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company and for its remuneration to be determined by the directors.
8. That, in accordance with section 347C of the Companies Act 1985 (as amended) (the "Act"), the Company be authorised:

a. to make donations to EU Political Organisations, as defined in section 347A of the Act, not exceeding £50,000 in total; and

b. to incur EU Political Expenditure, as defined in section 347A of the Act, not exceeding £50,000 in total

during the period beginning with the date of the passing of this resolution and ending on 31 July 2006 or, if sooner, the conclusion of the annual general meeting of the Company to be held in 2006.

9. That the directors be and they are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (as amended) to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £72,014,017 provided that this authority is for a period expiring at the conclusion of the next annual general meeting of the Company after the passing of the resolution but the Company may, before such expiry, make offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of any such offers or agreements notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all subsisting authorities, to the extent unexercised, and all such authorities are hereby revoked.

Special Resolutions:

10. That, subject to the passing of resolution 9 above, the directors be and they are empowered pursuant to section 95 of the Companies Act 1985 (as amended) (the "Act") to allot equity securities (within the meaning of sections 94(2) to 94(3A) of the Act) wholly for cash pursuant to the authority conferred by resolution 9 above or by way of a sale of treasury shares as if section 89(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities:
- a. in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - b. otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £10,976,799

and shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offers or agreements notwithstanding that the power conferred by this resolution has expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Act as if, in the first paragraph of this resolution, the words "pursuant to the authority conferred by resolution 9 above" were omitted.

11. That, in accordance with Chapter VII of Part V of the Companies Act 1985 (as amended) (the "Act"), the Company be generally and unconditionally authorised to make market purchases (as defined in section 163(3) of the Act) of its own ordinary shares on such terms and in such manner as the directors may from time to time determine, provided that:
- a. the maximum aggregate number of ordinary shares hereby authorised to be purchased is 21,953,598 (representing 10% of the Company's issued ordinary share capital as at 27 May 2005);
 - b. the minimum price which may be paid for an ordinary share is 100p (excluding expenses);
 - c. the maximum price which may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased (excluding expenses); and
 - d. unless previously renewed, revoked or varied, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, but a contract or contracts of purchase may be made before such expiry which will or may be executed wholly or partly thereafter and a purchase of shares may be made in pursuance of any such contract.

12. That the Articles of Association of the Company be amended by the deletion of Article 148 and the insertion of a new Article 148 as follows:

"148. (1) Subject to the provisions of the Act, the Company may:

- (a) indemnify any person who is or was a director, company secretary or other Relevant Officer directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and/or
- (b) purchase and maintain insurance for any person who is or was a director, company secretary or other Relevant Officer against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.

(2) A director shall be entitled to vote and to be counted in the quorum at any meeting of the board or a committee of the board at which any indemnity, arrangement or proposal falling within any of the provisions of article 148 is to be considered and, for the purposes of article 110, any interest which any director may have in such indemnity, arrangement or proposal shall not be a material interest unless the terms of such indemnity, arrangement or proposal confer upon such director a privilege or benefit not generally available to, or awarded to, any other director. The decision of the chairman of the meeting as to whether the indemnity, arrangement or proposal to be considered at the meeting falls within the provisions of article 148 or as to the materiality of any director's interest therein for the purposes of this article and article 110 shall be final and conclusive.

(3) For the purposes of this article:

(a) "associated company" has the same meaning as in section 309A of the Act; and

(b) a "Relevant Officer" is any officer of the Company or an associated company (other than in either case any person engaged by the Company or an associated company as auditor)."

By order of the Board:

Johnson Matthey Public Limited Company
Registered Number: 33774

Simon Farrant
Company Secretary
13 June 2005

Registered Office:
2-4 Cockspur Street
Trafalgar Square
London SW1Y 5BQ

NOTES

1. Appointment of proxies

A member entitled to attend and vote at the meeting convened by the Notice set out above is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. A proxy is not entitled to speak at the meeting, except to demand a poll, and may vote only when a poll is taken. A form of proxy is enclosed. To be effective, a form of proxy must be lodged at the offices of the Company's registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6BJ so as to be received no later than 12.00 noon on Sunday 17 July 2005. Completion of a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.

2. Electronic voting

Shareholders who prefer to register the appointment of their proxy electronically via the internet can do so through Lloyds TSB Registrars' website at www.sharevote.co.uk. Full details of the procedure are given on the website. The personal reference number, card ID and account number printed on the form of proxy will be required in order to use this electronic proxy appointment system. Alternatively, shareholders who have already registered with Lloyds TSB Registrars' on-line portfolio service, Shareview, can appoint their proxy electronically by logging onto their portfolio at www.shareview.co.uk and clicking on 'Company Meetings'. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 12.00 noon on Sunday 17 July 2005.

Shareholders who return a form of proxy or register the appointment of a proxy electronically will still be able to attend the meeting and vote in person if they so wish.

3. Documents available for inspection

The following documents are available for inspection at the registered office of the Company during normal business hours and from 11.00 am on 19 July 2005 until the conclusion of the annual general meeting at the Institution of Electrical Engineers (Lecture Theatre), Savoy Place, London WC2R 0BL:

- The register of interests of the directors in the share capital of the Company.
- The contracts of service of the executive directors with the Company and any subsidiary undertakings.
- The non-executive directors' letters of appointment.
- Deeds of indemnity dated 11 May 2004 and 20 July 2004.

4. Entitlement to attend and vote

In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders entered on the Company's register of members no later than 6.00 pm on Sunday 17 July 2005 or, if the meeting is adjourned, shareholders entered on the Company's register of members no later than 6.00 pm on the date two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6.00 pm on Sunday 17 July 2005 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

5. Electronic proxy appointment through CREST

Shareholders whose shares are held in uncertificated form through CREST may also register the appointment of a proxy electronically by following the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such appointment or instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time for receipt of proxy appointments specified in this Notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

