



Presentation of Results for the half year ended 30th September 2007

28th November 2007



Johnson Matthey

Cautionary Statement

This presentation contains forward looking statements that are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries and sectors in which Johnson Matthey operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated.



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Introduction

Neil Carson
Chief Executive



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Highlights

- Strong growth in sales and operating profit
- Environmental Technologies well ahead. HDD catalyst sales (ex pms) to OEMs in first half reach £79m
- New factories in South Korea, Russia and UK will support growth in 2008/09
- Environmental concerns and high energy prices drive long term growth



Financial Review

John Sheldrick

Group Finance Director



Johnson Matthey

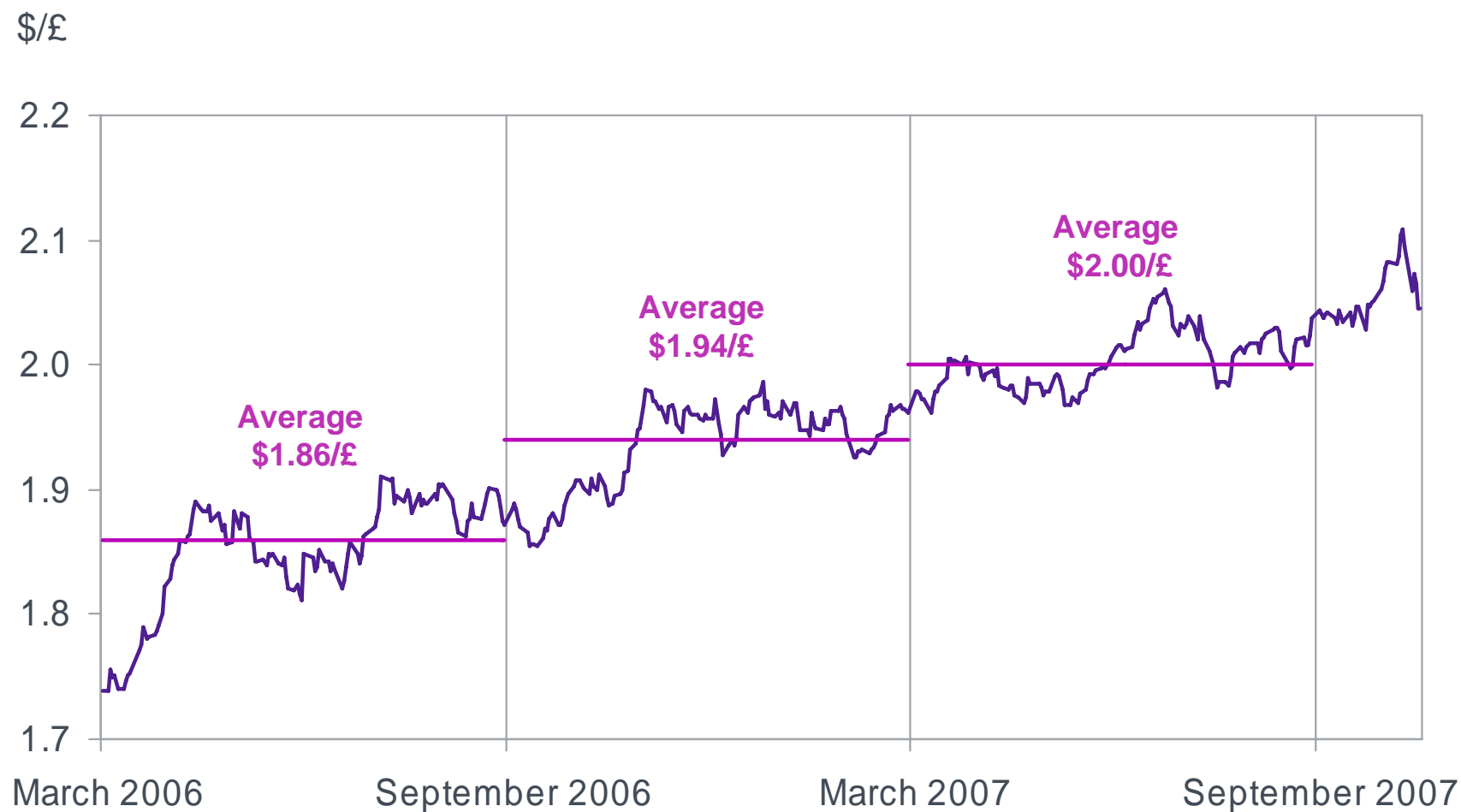
Summary Results

	1H 2007 £m	1H 2006 £m	% change
Revenue	3,512	2,922	+20
Sales excluding precious metals	840	654	+28
Operating profit	132.4	116.6	+14
Profit before tax	120.1	104.6	+15
Total earnings per share	41.8p	38.3p	+9
EPS before one-off items	41.0p	38.3p	+7
Dividend per share	10.6p	9.9p	+7

Operating Profit / Exchange

	1H 2007		1H 2006		Growth at constant rates
	£m			£m	%
		At last year's rates	At this year's rates		
Environmental Technologies	65.2	57.7	57.0	+14	
Precious Metal Products	47.2	37.2	36.1	+31	
Fine Chemicals & Catalysts	31.0	30.1	29.2	+6	
Corporate	(11.0)	(8.4)	(8.5)		
Group	132.4	116.6	113.8	+16	

Exchange Rates



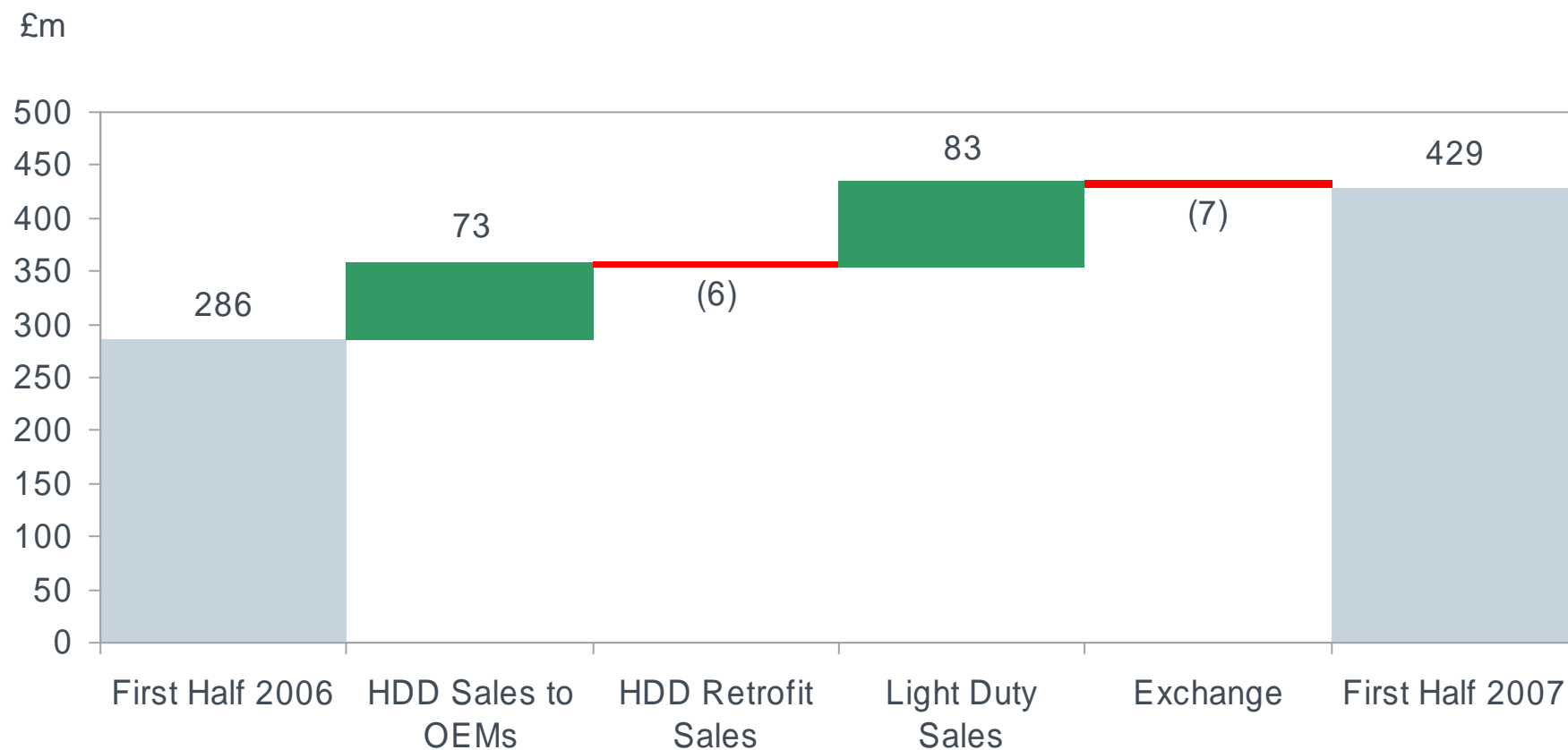
Return on Sales

Excluding Precious Metals

	Sales ex pms			ROS	
	1H	1H*	Growth	1H	1H*
	2007	2006		2007	2006
	£m	£m	%	%	%
Environmental Technologies	541	384	+41	12.0	14.9
Precious Metal Products	151	129	+17	31.3	27.9
Fine Chemicals & Catalysts	148	123	+20	21.0	23.8
Group	840	636	+32	15.8	17.9

* At 2007 exchange rates

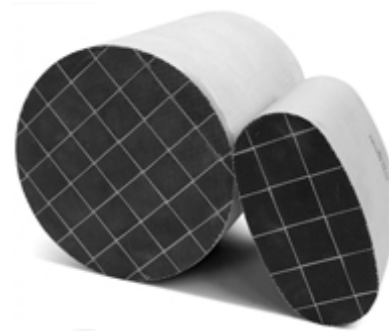
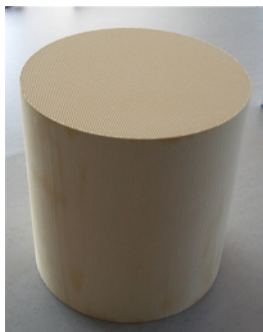
Sales Excluding Precious Metals - ECT



Incremental Costs - ECT

Substrates – a pass through cost for JM

- Flow through £3 to £10
- Filters £80 to £120 – price coming down



Start up / commissioning / freight costs

- > £3m of non-recurring costs expensed in first half

Taxation

	1H 2007 £m	1H 2006 £m
Tax on continuing businesses	32.5	30.1
Effect of corporation tax change	1.8	-
Underlying tax	34.3	30.1
Average rate	28.6%	28.8%

Net Cash Flow

	1H 2007 £m	1H 2006 £m
Operating profit	132	117
Depreciation and amortisation	38	38
Tax paid	(32)	(42)
Working capital / other	(31)	(62)
Cash flow from operations	107	51
Interest / dividends	(62)	(59)
Net capital investment	(57)	(56)
Acquisitions / disposals	(1)	(8)
Shares (bought) / issued	(48)	(12)
Net cash flow	(61)	(84)

Capital

	Sep 07 £m	Mar 07 £m
Net debt	419	365
Equity	1,065	1,078
Capital employed	1,484	1,443
Gearing (net debt / equity)	39%	34%



Operating Review

Neil Carson
Chief Executive



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A row of cylindrical air filters in a factory setting. The filters are white with a dark blue grid pattern on top. They are arranged in a line, receding into the background. The background is slightly blurred, showing industrial equipment and a factory floor.

Environmental Technologies Division



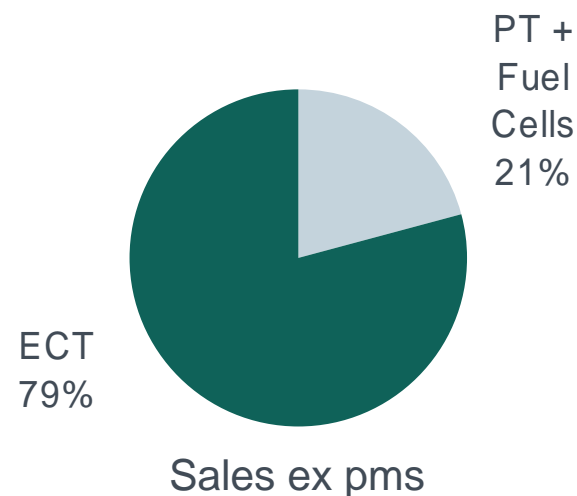
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Environmental Technologies Division

£m	1H 2007	1H 2006*	%
Revenue	1,055	843	+25
Sales excluding precious metals	541	384	+41
Operating profit	65.2	57.0	+14

(*At 2007 exchange rates)

- Emission Control Technologies sales excluding precious metals up 54%*
 - Growth in HDD, Asia and diesel particulate filters
- Process Technologies + Fuel Cells sales (ex pms) up 8%*



Estimated Light Vehicle Sales and Production

		Half year to 30 th September		
		2007 millions	2006 millions	Change %
North America	Sales	9.9	10.2	-2.9
	Production	7.6	7.5	+1.3
Europe	Sales	10.6	10.2	+3.9
	Production	10.8	10.1	+6.9
Asia	Sales	8.3	7.7	+7.8
	Production	13.0	12.0	+8.3
Global	Sales	34.1	32.8	+4.0
	Production	35.0	32.8	+6.7

Source: Global Insight

Emission Control Technologies

Light Duty

- Diesel cars now up to 52% of Western European market
- Diesel particulate filters increasingly fitted as standard
- In 2007, 4 million of 9 million diesel cars sold are expected to be fitted with filters



Emission Control Technologies

Light Duty

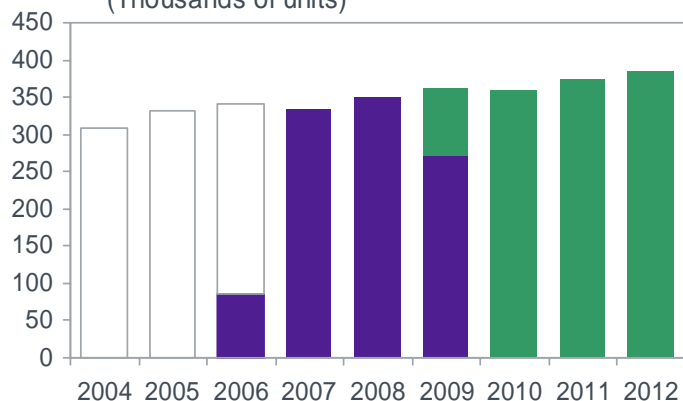
- Sales of autocatalysts in Asia continue to grow strongly
- US market flat but JM's profits up
- Three new facilities will open in the second half – Russia, South Korea and new diesel particulate filter plant in Royston, UK



Emission Control Technologies

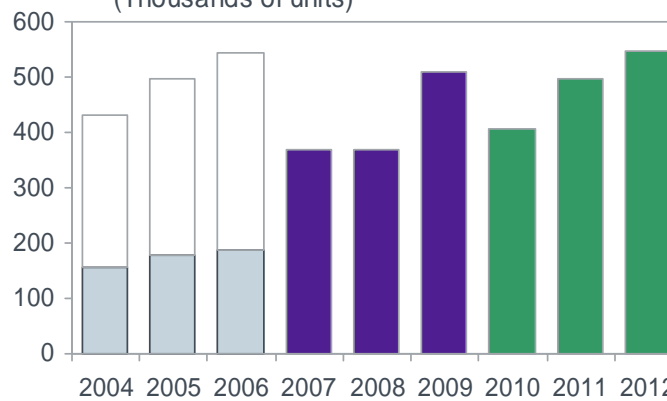
Heavy Duty Diesel

Western European Truck Sales
(Thousands of units)



Source: JD Power

US Class 4-8 Truck Sales
(Thousands of units)



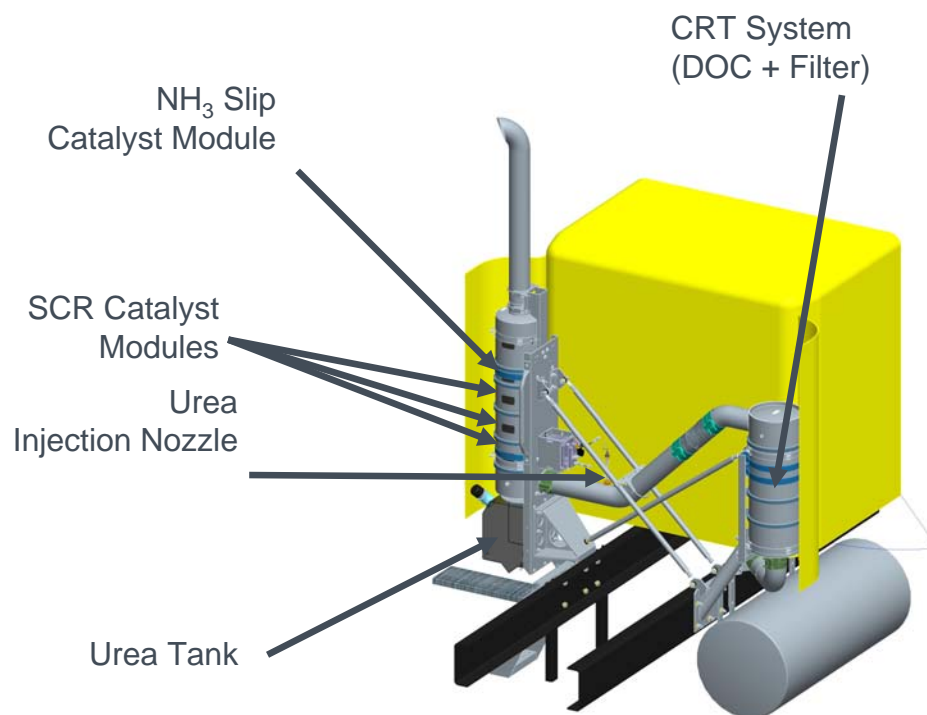
Source: Ward's and Global Insight

- No catalyst fitted
- DOC fitted
- Current regulations
- Euro V / US 2010 regulations

Emission Control Technologies

Heavy Duty Diesel

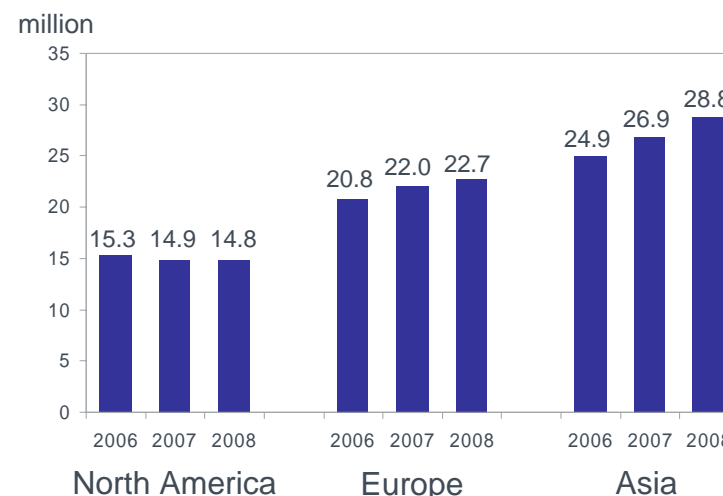
- Sales to OEMs grow to £79 million in first half
- Market size \$700 million (ex pms) in 2008
- In 2010 most US manufacturers will use SCR + filters + DOCs
- JM planning to invest in new capacity to meet increasing demand
- Projected market size \$3 billion in sales (ex pms) by end 2014



ECT – Medium Term Growth Drivers

- 2008/09
Increasing sales in Asia;
growth in diesel particulate
filters; US truck sales grow in
final quarter; lower costs
- 2009/10
Continued growth in filters and
Asia; strong year for US truck
sales; HDD in Asia
- 2010/11
Full fitment of diesel particulate
filters; 2010 US HDD
legislation; start of non road

Light Duty Vehicle Production Forecasts



Source: Global Insight (October 2007)

Process Technologies

- Good growth in sales and profits in first half
- High oil price encourages investment in projects from gas and coal
- Increased hydrogen demand in refineries driven by low sulphur fuels
- Strong investment in petrochemicals in China and the Middle East

Crude Oil - WTI

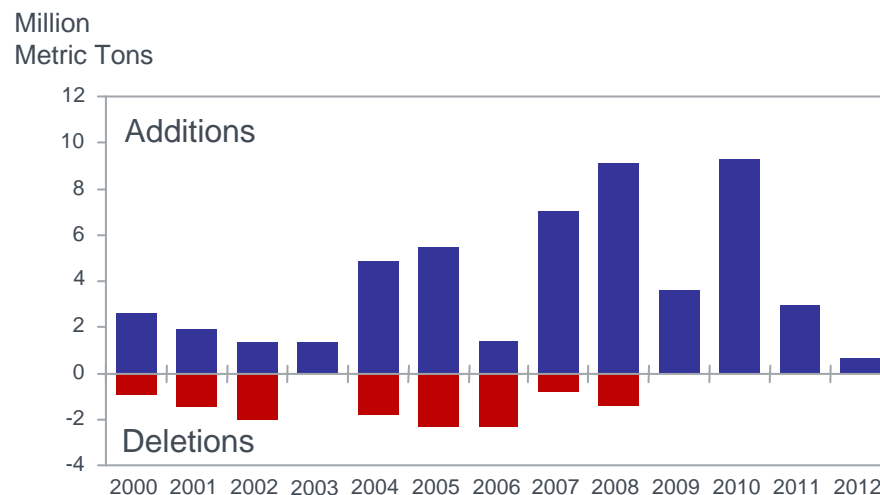


Process Technologies

Methanol

- Continued growth in methanol catalyst sales
- High methanol price stimulates increased methanol production capacity
- Significant project activity in China
- Latest JM methanol technology plant successfully commissioned in Oman in first half

Global Methanol Capacity Additions/Deletions



Source: CMAI



Process Technologies

Davy Process Technology

- Davy Process Technology (DPT) ahead of prior year
- Two major DPT LP oxo-alcohol projects licensed in China and India in first half
- First choline chloride plant to be built in Thailand utilises JM proprietary technology
- New process developed to convert glycerine (by product of bio diesel) to propylene glycol



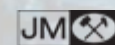
Fuel Cells

- Continued good demand for MEAs for direct methanol fuel cells
- Increasing sales of components for phosphoric acid fuel cells
- Encouraging progress in automotive
- Continued fall in net expense expected for full year





Precious Metal Products Division



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Precious Metal Products Division

£m	1H 2007	1H 2006*	%
Revenue	2,201	1,792	+23
Sales excluding precious metals	151	129	+17
Operating profit	47.2	36.1	+31

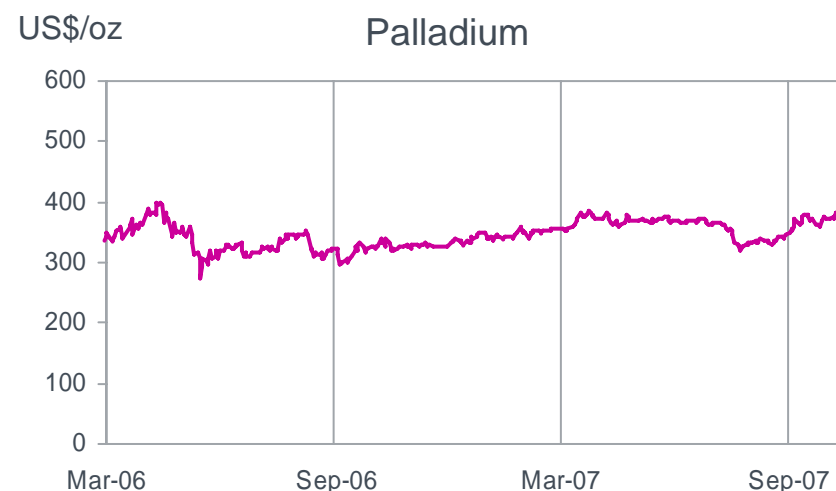
(*At 2007 exchange rates)

- Strong growth in sales and profits
- Good trading conditions in the pgms
- Manufacturing businesses continue to perform well

Precious Metal Products Division

Metal Prices

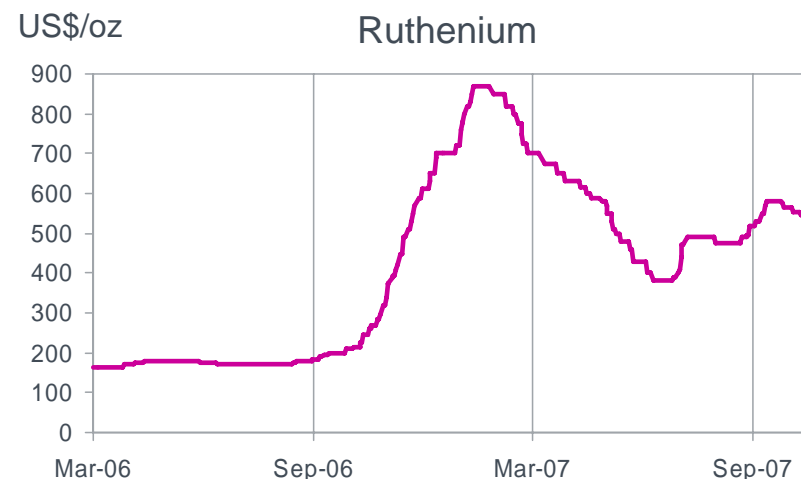
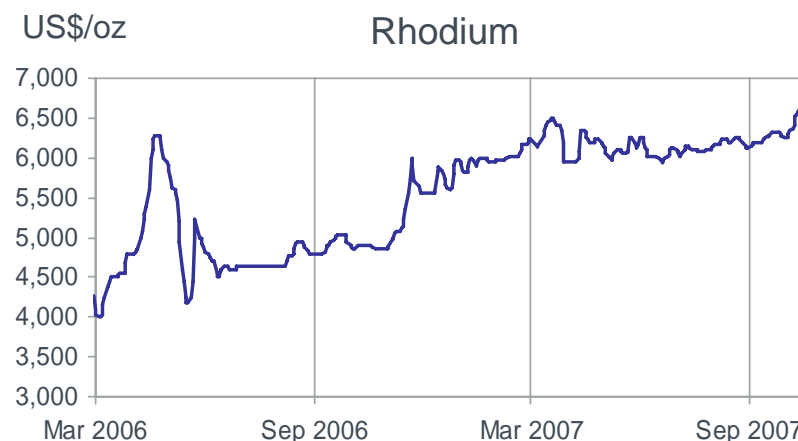
- In calendar 2007 Pt demand to grow 3% but supply to fall leaving the market in deficit. Average price \$1,293/oz up 7% in first half
- Pd supplies continue to outstrip demand with surplus absorbed by investment funds. Average price \$360/oz also up 7% on first half of last year



Precious Metal Products Division

Metal Prices

- Rh remains in deficit for fourth successive year. Average price \$6,163/oz 27% up on first half of last year
- Demand for Ru in hard disks continues to grow quickly at the expense of more price sensitive applications. Supplies boosted by sales from stock



Precious Metal Products Division

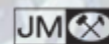
Manufacturing Businesses

- Metal fabrication businesses well ahead - good industrial demand and expanding sales of medical parts
- Colour Technologies' sales of automotive enamels and decorative products well ahead
- Strong demand for secondary pgm refining
- Gold refining ahead. Small Hong Kong upgrading facility sold in May 2007





Fine Chemicals & Catalysts Division



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Fine Chemicals & Catalysts Division

£m	1H 2007	1H 2006*	%
Revenue	256	195	+31
Sales excluding precious metals	148	123	+20
Operating profit	31.0	29.2	+6

(*At 2007 exchange rates)

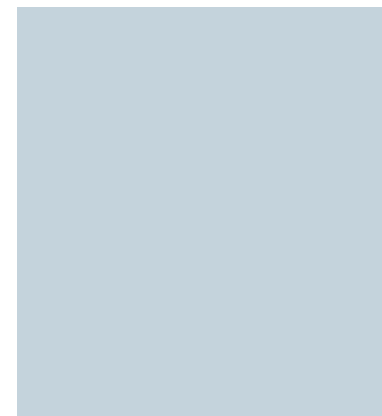
- Sales excluding precious metals up 20% boosted by high metal price for nickel catalysts
- Steady growth in operating profit

LME-Nickel Price



Fine Chemicals & Catalysts Division

- Catalysts and Chemicals achieved good growth in catalyst sales
- Good sales growth achieved in US Pharmaceutical Materials and Services
- Sales of opiate products in US well ahead of last year
- Volumes in Europe slightly down in first half but stronger order book for second half
- Research Chemicals achieved good growth with strong contribution from JV in China



Fine Chemicals & Catalysts Division

- Integration of the division has progressed well
- Catalyst sales continue to grow
- Satraplatin not approved
- Sales of APIs to generic pharmaceutical companies expected to grow at 6% pa
- Future investment planned in Asia for catalysts, Research Chemicals and APIs



Outlook

- Operating profit growth in Environmental Technologies expected to be similar to first half
- Emission Control Technologies to benefit from full six months of HDD sales in US
- Continued growth supported by new capacity in South Korea, Russia and new filter facility in UK
- High energy prices will continue to drive growth in Process Technologies

Outlook

Continued

- Precious Metal Products will benefit from rising pgm prices but growth in second half will be lower than in first
- Growth in Fine Chemicals & Catalysts should be similar to or slightly ahead of the first half
- US dollar weakness will impact exchange translation
- Overall, EPS growth for the second half expected to be similar to the first



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