



Johnson Matthey

Presentation to
Analysts

Johnson Matthey Chilton Site
24th September 2003



Johnson Matthey

Chris Clark
Chief Executive

JM Executive Board

- Chris Clark - Chief Executive
- John Sheldrick - Group Finance Director
- Neil Carson - Executive Director, Catalysts and Precious Metals
- David Morgan - Executive Director, Corporate Development, Central Research and Colours & Coatings
- Dr Pelham Hawker - Executive Director, ECT
- Larry Pentz - Executive Director, PCT

Other Senior Management

- Dr Martin Durney - Vice President & General Manager, PCT North America and Asia
- Roger Kilburn - Vice President, Polymers, Chemicals and Edible Oils
- Dr David Prest - Technical Director PCT
- Neil Whitley - Vice President, Ammonia, Methanol, Oil and Gas
- Ian Godwin - Investor Relations

Programme

- 11.00 Welcome and trading update (Chris Clark)
- 11.15 The Catalyst Market and Catalysts Division (Neil Carson)
- 11.30 Process Catalysts & Technologies (Larry Pentz)
- 12.15 Chiral Catalysts (Martin Durney)
- 12.30 Gas to Liquids (Neil Whitley)
- 12.45 Q&A
- 13.00 Buffet lunch
- 13.30 Plant tour (David Prest)
- 14.50 Visit wrap up
- 15.00 Depart for station

Current Trading

- Trading in line with expectations
- Results restated for FRS 17
- First quarter earnings ahead
- Good growth in operating profit
- Interest charge up (includes pension impact)
- Confident of growth in half year earnings (before exceptional items and goodwill amortisation)

Divisions Year To Date

Catalysts strongly ahead

PCT benefits from contribution from former Synetix businesses

but refining adversely affected by Pd / Rh prices

ECT ahead with good demand in Asia

Precious Metals below last year with subdued trading

Strong Euro benefiting Colours on exchange translation, but adversely affecting Tile customers' demand

Pharmaceutical Materials comfortably ahead. Good progress on morphine / codeine production in US



Johnson Matthey Catalysts

Analysts Visit

24 September 2003

Chilton Site, UK



Johnson Matthey Catalysts

Neil Carson

Executive Director, Catalysts
and Precious Metals

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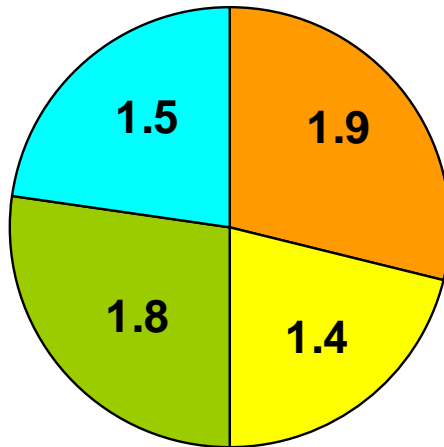
The Catalyst Market

Catalyst Industry

- £6.6bn per year industry
- 4 broad market segments

Market segments

£bn

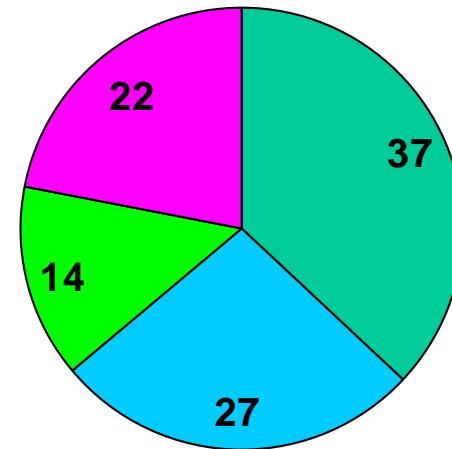


■ Chemical ■ Petroleum ■ Environment ■ Polymers

Source: The Catalyst Group

Regional Breakdown

%



■ N. America ■ W. Europe ■ Japan ■ Other

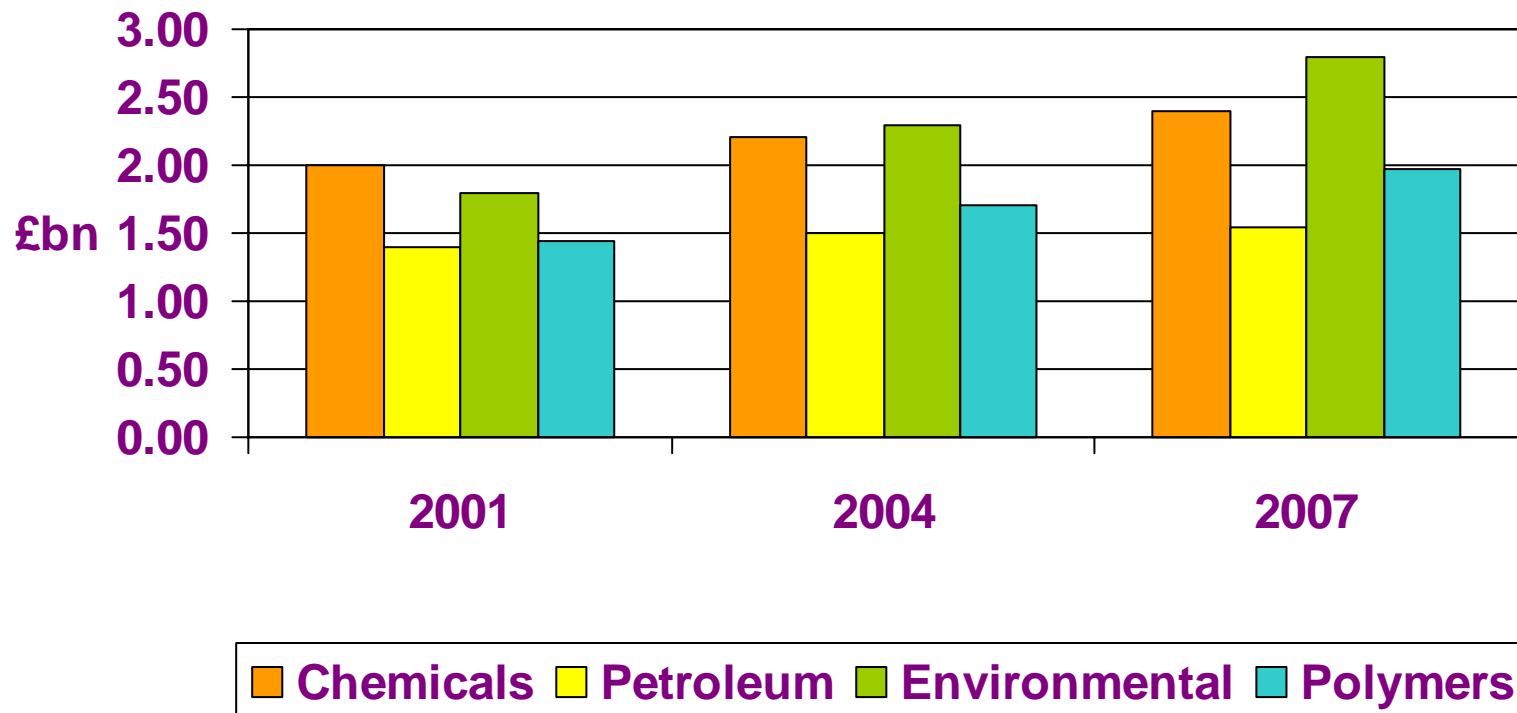
Source: SRI consulting

Catalyst Industry

- Growth expected at 4.5% p.a.
- Variation across segments
 - Chemical 4% p.a.
 - Petroleum Refinery 2% p.a.
 - Environment 8% p.a.
 - Polymerisation 6% p.a.

Catalyst Industry

Expected Industry Segment Growth



Source: The Catalyst Group

Catalyst Industry

- Consolidation and decaptivation to continue
- Top 9 players serve 60% of the market



Johnson Matthey



ENGELHARD



GRACE



degussa.

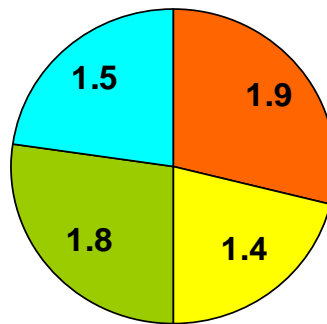
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Johnson Matthey Catalysts

Johnson Matthey Catalysts

- Focused on the Environmental and Chemical processing segments
- Identified value adding markets in all four Catalyst segments

Market segments
£bn



■ Chemical ■ Petroleum ■ Environment ■ Polymers

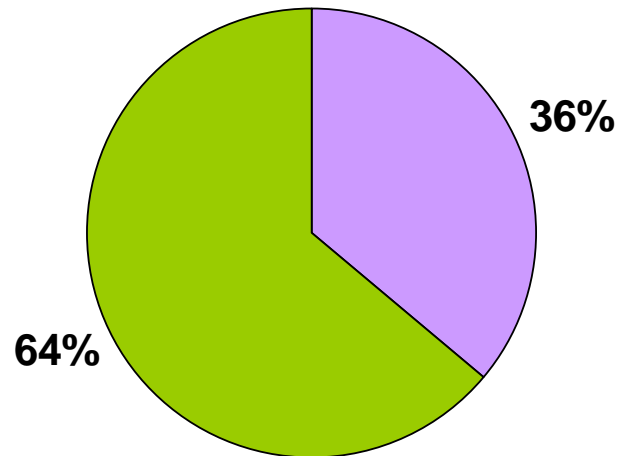
Johnson Matthey Catalysts

Environmental Catalysts and Technologies (ECT)

Autocat
Diesel
Off Road
Small engine
Stationary Source

Fuel Cells

Sales



Process Catalysts and Technologies (PCT)

Syngas
Refinery & Gas Purification
Edible Oil & Oleochemicals
Polymers, Inks & Coatings
Speciality Chemicals
Pharma/Fine Chemicals
GTL
PGM Refining & Products
Research Chemicals
Tracerco



Johnson Matthey Catalysts

Larry Pentz

Executive Director, Process Catalysts and
Technologies

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Process Catalysts & Technologies

Process Catalysts & Technologies

- A diverse business
- Serving seven markets within the Catalyst industry
- Three additional businesses complement our catalyst focus
- Strong technical and application capabilities

Process Catalysts & Technologies (PCT)

Process Catalysts

- Syngas
- Refinery & Gas Purification
- Edible Oil & Oleochemicals
- Polymers, Inks & Coatings
- Speciality Chemicals
- Pharma/Fine Chemicals
- GTL

Technologies

- PGM Refining & Products
- Research Chemicals
- Tracerco

Blue denotes historical JM markets

PCT – Synetix acquisition status

- Successful transition and integration process
- A fully integrated business within PCT
- Delivering anticipated results and synergies
 - Complete decoupling from ICI systems and onto JM business processes
 - Integrated organisational structure focused on global markets
 - Rebranding of the Synetix name to JM Catalysts
 - Top line opportunities progressing
 - Investment to address strategic opportunities

PCT - GROWTH OPPORTUNITY

- Develop identified catalyst markets
 - GTL
 - Pharma/Fine Chemicals
 - Chemicals Processing
 - Other niche applications
- Explore other catalyst market opportunities
- Exploit the breadth of catalysis expertise available to us
- Maximise the value potential of Research Chemicals, Tracerco, and PGM businesses

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Markets Served

PCT – Syngas Markets

- Catalysts, process technology, other related products and services
- Converting natural gas or naphtha to:
 - ammonia
 - methanol or
 - hydrogen

Ammonia

Market size & growth

- £700m installed catalyst
- £125m market
- 2% estimated growth
- Global #2

Competitors

Haldor Topsoe, Sud Chemie,
Local producers



- Established global market
- Well positioned in regions
- We know our customers
- Unique operational experience

Methanol

Market size & growth

- £30m market
- 3% estimated growth
- Global #1

Competitors

Haldor Topsoe, Sud Chemie,
Mitsubishi Gas Chemical



- Global market
- Global reputation
- Strong position in all regions
- Process license development
- Unique operational experience

Hydrogen

Market size & growth

- £70m market
- 4-7% estimated growth
- Global #2

Competitors

Haldor Topsoe, Sud Chemie,
Local producers



- Growing market
- Strong position in key sectors
- Targeting further growth
- Leveraging services

PCT – Refinery & Gas Processing Markets

- The sale of absorbents and services
- Removal of trace impurities from gaseous streams in petroleum refining or gas processing

Refinery & Gas Processing Markets

Market size & growth

- > £100m market
- Difficult market to quantify
- Niche player
- Strong position in fixed bed polishing market
- 3-5% estimated growth

Competitors

Sud Chemie, Axens, Alumina suppliers



- Recognised premium brand – PURASPEC™
- Adds value to downstream process
- Increasing environmental awareness and legislation
- Opportunity for new applications

PCT – Edible Oil & Oleochemical Markets

- Catalysts used in processing of fats and oils
- Set unique properties in their end use applications as either edible oils or oleochemicals

Edible Oils

Market size & growth

- £29m market
- 1-2% estimated growth
- Global # 1

Competitors

Engelhard, Local producers



- Global customer reach
- Consolidated supplier base
- Strong application support
- Significant entry barrier
- Opportunity to link PGM catalyst

Oleochemicals

Market size & growth

- £42m market
- 1-2% estimated growth
- Global # 2

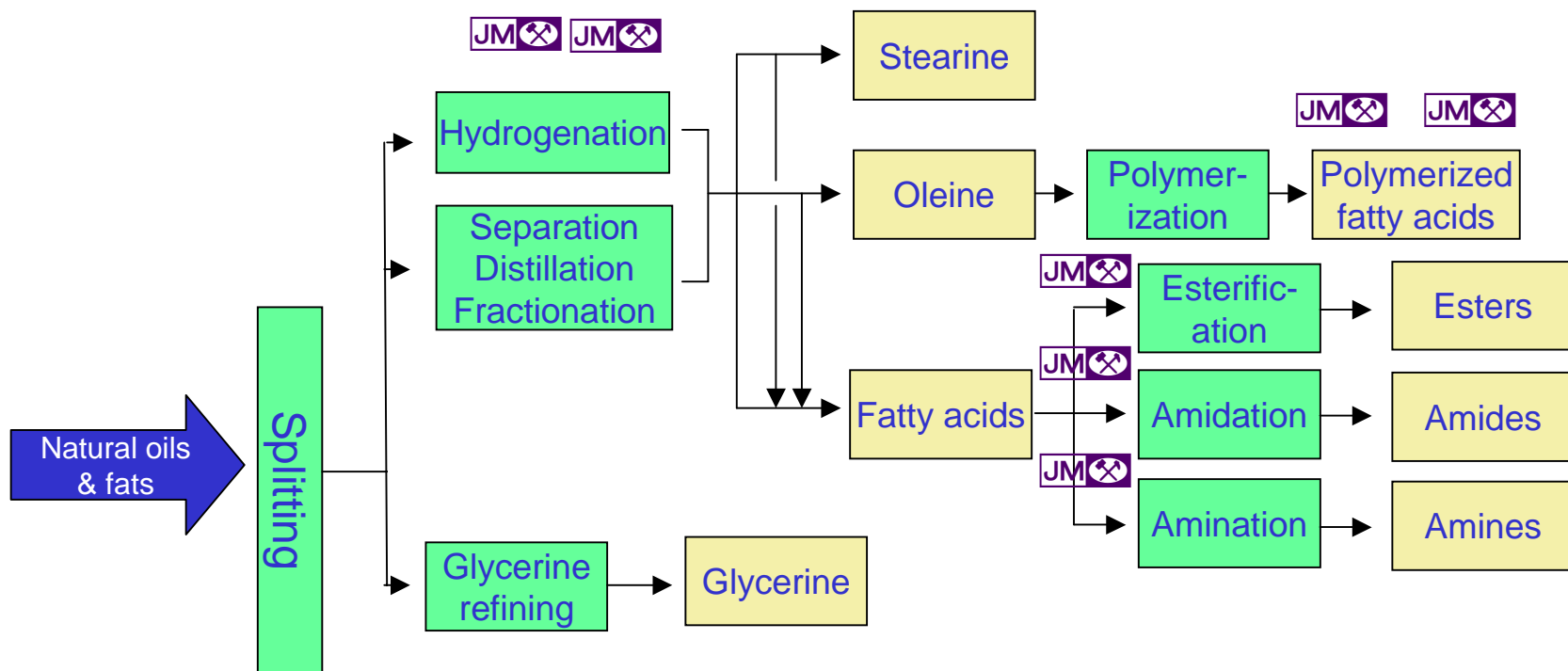
Competitors

Engelhard, Sud Chemie,
Cognis, CRI, Local producers



- Global market
- Consolidated supply base
- Shift from Europe to Asia
- Strong relationship with 2 major players
- Wide offering of products

Oleochemicals



PCT – Polymers, Inks & Coatings Markets

- Catalysts, promoters and additives
- Based on our organometallic technology
- Consumed in polymerisation reactions such as plasticisers and acrylates
- Used as adhesion promoters to allow inks to stick to flexible packaging
- Additives to paints and other products to modify flow characteristics

Polymers

Market size & growth

- £20m market
- 4% estimated growth
- Global #1

Competitors

DuPont, Nippon Soda



- Environmentally friendly alternative
- Platform for new growth:
 - Polyester
 - Polyurethanes

Inks

Market size & growth

- £13m market
- 3% estimated growth
- Global #1

Competitors

DuPont



- Strong industry focus
- Patent protected sales
- Strong customer relationships

PCT – Speciality & Fine Chemicals Markets

- Catalysts sold into the large, diverse chemical processing market place
- Speciality / fine chemicals very attractive segment
- Many technologies (oxidation, hydrogenation, etc.) and many applications
- Opportunities to add value by catalyst improvements
- Decaptivation of existing producers

Speciality & Fine Chemicals

Market size & growth

- £476m market
- 5% estimated growth
- #1 / #2 in our niches

Competitors

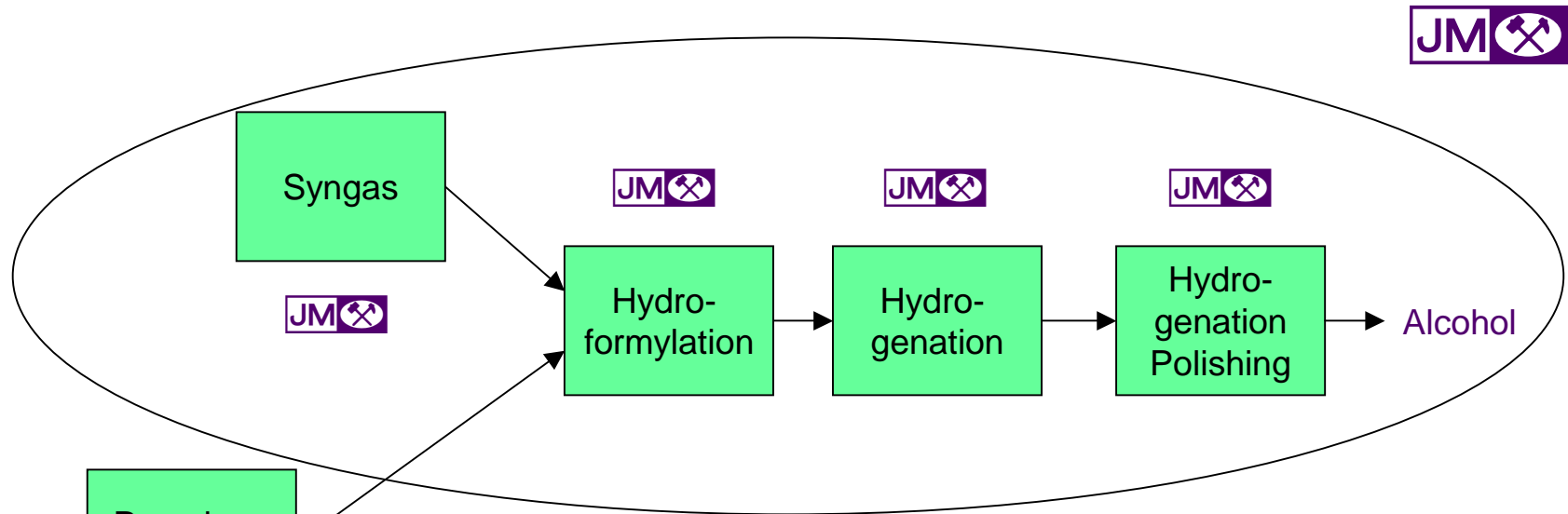
Sud Chemie, Axens,
Engelhard, Degussa



- Strong position in oxo alcohol
- Strength in niche applications (fluorochemicals, silicones, solvents)
- Platform for new opportunities
- Broadest range of technologies for chiral market

Chemicals

Oxo alcohol process



Propylene
Olefins

- Syntex oxo process license
- Rhodium recovery license
- Support package
- Hydrogenation catalysts range
- Syngas catalysis
- Catalysts for polishing
- Rh hydroformylation

Blue denotes historical JM

PCT – PGM Refining & Products Markets

- Johnson Matthey's traditional precious metal businesses
- Providing a service to recover PGM's from spent or scrap materials, including PGM catalysts
- Manufacturing of precious metal containing chemical products

PGM Refining & Products Markets

Market size & growth

- Secondary refining – about £160m
- A large captive PGM product market
- Global #1 secondary refining

Competitors

Engelhard, Hereaus, Umicore, Tanaka KK, others



- Recognised world wide reputation
- Benchmark analytical and process technology capability
- Supports catalyst business
- Other product applications include electronics, photography, plating, etc

PCT - Research Chemicals

- Distributor of inorganic and organic compounds for use in research laboratories
- Supplies small to pilot quantities for scale up and small manufacturing
- Offers a global distribution network for R&D

Research Chemicals

Market size & growth

- £300m Organics market
- £50m Inorganics market
- Global #2 for Inorganics

Competitors

Aldrich, Fischer, Lancaster,
Strem, others



2003/04 Catalog

- High margin, growth business
- Opportunities for market share in Organics
- A number of small players allow for consolidation
- Asian R&D shift opens new region

PCT - TRACERCO™

- Contract service provider to upstream oil, petrochemical, and chemical facilities
- Supplier of specialist measurement devices for industrial application
- A taggant system offering for the effective tracing of hydrocarbon materials

TRACERCO™

- Maximising oil production in difficult areas of the world
- Expertise in the application of source materials for difficult measurements
- 50 years of successful customer service in UK
- Growth opportunity as proactive, online process equipment evaluation develops



PCT - Conclusion

- A diverse, good margin, global business
- Based on science and technology
- Highly customer focused
- Expanded capability
- Strategy for growth

