Presentation of Results for the year ended 31st March 2008

5th June 2008
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.
Introduction

Neil Carson
Chief Executive
Highlights

- Strong growth in sales and operating profit
- Environmental Technologies well ahead. HDD catalyst sales (ex pms) to OEMs of £159m (£54m in 2006/07)
- Acquisition of Argillon increases JM’s capabilities in NOx control
- Environmental concerns and high energy prices drive long term growth
### Summary Results

<table>
<thead>
<tr>
<th></th>
<th>Year to 31st March</th>
<th></th>
<th></th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008 £m</td>
<td>2007 £m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>7,499</td>
<td>6,152</td>
<td></td>
<td>+22</td>
</tr>
<tr>
<td>Sales excluding precious metals</td>
<td>1,750</td>
<td>1,454</td>
<td></td>
<td>+20</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>262.3</td>
<td>226.5</td>
<td></td>
<td>+16</td>
</tr>
<tr>
<td>Total earnings per share</td>
<td>88.5p</td>
<td>96.9p</td>
<td></td>
<td>-9</td>
</tr>
</tbody>
</table>

**Underlying***:

<table>
<thead>
<tr>
<th></th>
<th>2008 £m</th>
<th>2007 £m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>265.4</td>
<td>229.3</td>
<td></td>
<td>+16</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>89.5p</td>
<td>82.2p</td>
<td></td>
<td>+9</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>36.6p</td>
<td>33.6p</td>
<td></td>
<td>+9</td>
</tr>
</tbody>
</table>

* Before amortisation of acquired intangibles and profit on sale of Ceramics Division
## Operating Profit / Exchange

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>Change %</th>
<th>2007 at 2008 exchange rates</th>
<th>Growth at constant rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td></td>
<td>£m</td>
<td>%</td>
</tr>
<tr>
<td>Environmental Technologies</td>
<td>147.3*</td>
<td>122.9*</td>
<td>+20</td>
<td>121.9*</td>
<td>+21</td>
</tr>
<tr>
<td>Precious Metal Products</td>
<td>102.1</td>
<td>85.3</td>
<td>+20</td>
<td>84.6</td>
<td>+21</td>
</tr>
<tr>
<td>Fine Chemicals &amp; Catalysts</td>
<td>67.1</td>
<td>64.2</td>
<td>+5</td>
<td>63.4</td>
<td>+6</td>
</tr>
<tr>
<td>Corporate</td>
<td>(19.7)</td>
<td>(17.2)</td>
<td></td>
<td>(17.3)</td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td>296.8</td>
<td>255.2</td>
<td>+16</td>
<td>252.6</td>
<td>+17</td>
</tr>
</tbody>
</table>

* Before amortisation of acquired intangibles
## Return on Sales
Excluding Precious Metals

<table>
<thead>
<tr>
<th></th>
<th>Sales ex pms</th>
<th>ROS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008 (£m)</td>
<td>2007 (£m)</td>
</tr>
<tr>
<td>Environmental Technologies</td>
<td>1,140</td>
<td>896</td>
</tr>
<tr>
<td>Precious Metal Products</td>
<td>307</td>
<td>290</td>
</tr>
<tr>
<td>Fine Chemicals &amp; Catalysts</td>
<td>303</td>
<td>268</td>
</tr>
<tr>
<td>Group</td>
<td>1,750</td>
<td>1,454</td>
</tr>
</tbody>
</table>
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
- Second half benefited from elimination of these costs
# Argillon

<table>
<thead>
<tr>
<th></th>
<th>12 months to 30&lt;sup&gt;th&lt;/sup&gt; September 2007</th>
<th>2 months to 31&lt;sup&gt;st&lt;/sup&gt; March 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€m&lt;sup&gt;1&lt;/sup&gt;</td>
<td>€m</td>
</tr>
<tr>
<td>Sales</td>
<td>160</td>
<td>16</td>
</tr>
<tr>
<td>EBIT</td>
<td>19</td>
<td>4.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Fair value of assets acquired</td>
<td></td>
<td>197</td>
</tr>
</tbody>
</table>

<sup>1</sup> Normalised  
<sup>2</sup> IFRS
Sensitivity to Pgm Prices

- 10% change in the price of our ‘basket’ of pgms (mainly platinum and palladium) can impact commission / distribution income by approx £3m to £4m pa but volatility also a significant factor
- Pgm Refining and Recycling performed strongly this year. Demand for recycling secondary materials (e.g. spent catalysts, autocatalyst scrap) affected by pgm prices
- High prices help the catalyst businesses where JM has a lead. More efficient catalysts require less pgm – cheaper for the customer
- However high prices also have significant impact on working capital (inventory, receivables). So ROIC is key
## Return on Invested Capital (ROIC)

<table>
<thead>
<tr>
<th></th>
<th>2008 (£m)</th>
<th>2007 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit*</td>
<td>297</td>
<td>255</td>
</tr>
<tr>
<td>Average invested capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>1,119</td>
<td>1,061</td>
</tr>
<tr>
<td>Net debt</td>
<td>488</td>
<td>388</td>
</tr>
<tr>
<td>Total Investment</td>
<td>1,607</td>
<td>1,450</td>
</tr>
<tr>
<td>Pre-tax ROIC</td>
<td>18.5%</td>
<td>17.6%</td>
</tr>
</tbody>
</table>

* Before amortisation of acquired intangibles

---

**Five Year ROIC Trend**

- Target
- Cost of Capital
## Interest and Taxation

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net finance costs (interest)</strong></td>
<td>(30.3)</td>
<td>(26.8)</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(77.2)</td>
<td>(64.7)</td>
</tr>
<tr>
<td><strong>Tax rate (tax / profit before tax)</strong></td>
<td>29.4%</td>
<td>28.6%</td>
</tr>
</tbody>
</table>
# Net Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>2008 £m</th>
<th>2007 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>294</td>
<td>252</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>82</td>
<td>78</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(72)</td>
<td>(81)</td>
</tr>
<tr>
<td>Working capital / other</td>
<td>(93)</td>
<td>(90)</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td><strong>211</strong></td>
<td><strong>159</strong></td>
</tr>
<tr>
<td>Interest / dividends</td>
<td>(102)</td>
<td>(92)</td>
</tr>
<tr>
<td>Net capital investment</td>
<td>(144)</td>
<td>(122)</td>
</tr>
<tr>
<td>Acquisitions / disposals</td>
<td>(160)</td>
<td>119</td>
</tr>
<tr>
<td>Shares (bought) / issued</td>
<td>(45)</td>
<td>(50)</td>
</tr>
<tr>
<td><strong>Net cash flow</strong></td>
<td><strong>(239)</strong></td>
<td>14</td>
</tr>
</tbody>
</table>
## Capital

<table>
<thead>
<tr>
<th></th>
<th>31st March 08 £m</th>
<th>31st March 07 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt</td>
<td>610</td>
<td>365</td>
</tr>
<tr>
<td>Equity</td>
<td>1,160</td>
<td>1,078</td>
</tr>
<tr>
<td>Capital employed</td>
<td>1,770</td>
<td>1,443</td>
</tr>
<tr>
<td>Gearing (net debt / equity)</td>
<td>53%</td>
<td>34%</td>
</tr>
</tbody>
</table>
Operating Review

Neil Carson
Chief Executive
Environmental Technologies Division

<table>
<thead>
<tr>
<th>£m</th>
<th>2008</th>
<th>2007</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,290</td>
<td>1,864</td>
<td>+23</td>
</tr>
<tr>
<td>Sales excluding precious metals</td>
<td>1,140</td>
<td>896</td>
<td>+27</td>
</tr>
<tr>
<td>Operating profit</td>
<td>147.3</td>
<td>122.9</td>
<td>+20</td>
</tr>
</tbody>
</table>

- Emission Control Technologies sales excluding precious metals up 32%
  - Good growth in HDD, diesel particulate filters and in Asia
- Process Technologies + Fuel Cells sales (ex pms) up 10%
## Estimated Light Vehicle Sales and Production

<table>
<thead>
<tr>
<th></th>
<th>Year to 31st March</th>
<th></th>
<th></th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008 millions</td>
<td>2007 millions</td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>North America</td>
<td>Sales</td>
<td>19.6</td>
<td>20.4</td>
<td>-3.9</td>
</tr>
<tr>
<td></td>
<td>Production</td>
<td>14.7</td>
<td>15.0</td>
<td>-2.0</td>
</tr>
<tr>
<td>Total Europe</td>
<td>Sales</td>
<td>22.4</td>
<td>21.4</td>
<td>+4.7</td>
</tr>
<tr>
<td></td>
<td>Production</td>
<td>22.3</td>
<td>21.2</td>
<td>+5.2</td>
</tr>
<tr>
<td>Asia</td>
<td>Sales</td>
<td>17.9</td>
<td>16.4</td>
<td>+9.1</td>
</tr>
<tr>
<td></td>
<td>Production</td>
<td>27.0</td>
<td>24.9</td>
<td>+8.4</td>
</tr>
<tr>
<td>Global</td>
<td>Sales</td>
<td>70.0</td>
<td>67.0</td>
<td>+4.5</td>
</tr>
<tr>
<td></td>
<td>Production</td>
<td>70.4</td>
<td>66.6</td>
<td>+5.7</td>
</tr>
</tbody>
</table>
Emission Control Technologies
Light Duty

- Diesel cars now 53% of Western European car market
- In 2007/08, just under 4 million of 8 million diesel cars sold were fitted with DPFs ahead of legislation
- New DPF facility completed at Royston doubles our capacity
- High price of platinum encouraging increased use of palladium
- Other precious metals have been tried (Au, Ag) in combination with pgms but durability a big hurdle
Emission Control Technologies

Light Duty

- Sales of autocatalysts in Asia continue to grow strongly
- New factories opened in South Korea and the Russian Federation
- Further capacity being added in China, Japan and India
- US vehicle market down but our North American profits up on strong sales of both light and heavy duty diesel catalysts
Emission Control Technologies
Heavy Duty Diesel

Western European Truck Sales (Thousands of units)

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

Source: JD Power

Source: Ward’s, Global Insight and J D Power

- No catalyst fitted
- DOC fitted
- Current regulations
- Euro V / US 2010 regulations
Emission Control Technologies
Heavy Duty Diesel

- Sales to OEMs £159 million
- Market size US $700 million (ex pms) by end of 2008
- 2010 legislation in US requires more catalysts per vehicle (DOCs + filters + SCR)
- New factories in Macedonia and Western Pennsylvania operational in 2009
- Projected market size US $3 billion in sales (ex pms) by end 2014
# Emission Control Technologies

**Argillon**

## Products & applications

<table>
<thead>
<tr>
<th>Power Plants</th>
<th>Stationary</th>
<th>HDD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Catalysts</strong></td>
<td><strong>Engineering and supply of catalytic systems for:</strong></td>
<td><strong>Used in diesel trucks:</strong></td>
</tr>
<tr>
<td>Catalysts for power plants, industrial applications and waste incineration plants:</td>
<td>Stationary diesel engines, Waste incineration, Marine vessels, Gas engines</td>
<td>Heavy duty vehicles</td>
</tr>
<tr>
<td>• Plate-type</td>
<td>• OEM (power generation)</td>
<td>• HDD OEMs</td>
</tr>
<tr>
<td>• Honeycomb-type</td>
<td>• Engineering suppliers</td>
<td></td>
</tr>
</tbody>
</table>

## Customer base

<table>
<thead>
<tr>
<th>Customer base</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Power Plants</strong></td>
</tr>
<tr>
<td>• OEMs</td>
</tr>
<tr>
<td>• PTD providers</td>
</tr>
<tr>
<td>• Rail companies</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets held for sale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Insulators</strong></td>
</tr>
<tr>
<td>Porcelain/composite insulators for substations and power transmission and distribution (PTD)</td>
</tr>
<tr>
<td>• OEMs</td>
</tr>
<tr>
<td>• PTD providers</td>
</tr>
<tr>
<td>• Rail companies</td>
</tr>
</tbody>
</table>

| **Alumina** |
| Alumina based: |
| • Tubes |
| • Housings used in circuit breakers/ transmitters in the semiconductor and PTD industries |
| Global PTD suppliers |
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 (April 2008))
Process Technologies
Methanol and Ammonia

- Sales up 10%
- High methanol prices stimulate increased production capacity
- Significant project activity continues in China
- China using methanol as a fuel as well as petrochemical feedstock
- Ammonia demand driven by growing agricultural industry
Process Technologies

- Oil price reaches $135 per barrel
- Sourer crude being processed
- Increased demand for hydrogen catalysts
- Increased demand for purification materials and diagnostic services
- High oil price drives growth in gas and coal to products
Process Technologies
Davy Process Technology

- Davy Process Technology (DPT) sees continued strong demand
- Two major DPT oxo alcohol projects licensed in China and India in first half of 2007/08
- First choline chloride plant to be built in Thailand utilises JM proprietary technology
- New coal to methanol plant in USA
- Three further licences signed in recent months for plants in China

Courtesy of Oman Methanol Company LLC
Fuel Cells

- Niche applications coming to market

- DMFC - Recreational vehicles
  - Fork lift trucks

- PAFC - Natural gas powered fuel cells for commercial buildings
Fuel Cells

Longer term applications

• PEM - Car companies currently launching test fleets
  - Growing interest in fuel cell / battery hybrids
    for zero emission urban use

• Outlook for JM MEA sales in all three technologies
  is encouraging. We expect good sales growth over
  next few years
Precious Metal Products Division
Precious Metals Products Division

<table>
<thead>
<tr>
<th>£m</th>
<th>2008</th>
<th>2007</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,688</td>
<td>3,824</td>
<td>+23</td>
</tr>
<tr>
<td>Sales excluding precious metals</td>
<td>307</td>
<td>290</td>
<td>+6</td>
</tr>
<tr>
<td>Operating profit</td>
<td>102.1</td>
<td>85.3</td>
<td>+20</td>
</tr>
</tbody>
</table>

- Good growth in sales and profits
- Favourable trading conditions in the pgms
- Strong performance from manufacturing businesses
Precious Metals Products Division

Metal Prices

• Pt demand up 9% in 2007. Growth in autocatalyst, industrial and investment. Supply down with lower South African output. Average price in 2007/08 $1,474 up 24%

• Pd demand up 4%. Autocatalyst, electronics and investment all ahead. Supply up with additional Russian sales. Average price in 2007/08 $381 up 13%
Precious Metals Products Division

Metal Prices

• Rh demand up on increased autocatalyst and chemical consumption. Supply only slightly up. Rh remained in deficit for fourth successive year. Average price in 2007/08 $6,753 up 31%

• Ru demand lower in 2007. Price spiked in 2006 but returned to more normal levels in 2007. Average price in 2007/08 $491 up 37%
Precious Metal Products Division
Manufacturing Businesses

- Noble Metals businesses well ahead with strong sales of catalyst gauzes for nitric acid production
- Market for N$_2$O abatement catalysts continues to develop
- Strong year for Pgm Refining and Recycling
- Colour Technologies sees good growth in obscuration enamels for auto glass
- Small gold refinery in Hong Kong sold in May 2007
Fine Chemicals & Catalysts Division
Fine Chemicals & Catalysts Division

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>521</td>
<td>463</td>
<td>+13</td>
</tr>
<tr>
<td>Sales excluding precious metals</td>
<td>303</td>
<td>268</td>
<td>+13</td>
</tr>
<tr>
<td>Operating profit</td>
<td>67.1</td>
<td>64.2</td>
<td>+5</td>
</tr>
</tbody>
</table>

- Sales growth boosted by higher raw material prices, especially nickel
- Operating profit up 6% at constant currency rates
Fine Chemicals & Catalysts Division

- Catalysts and Chemicals business achieved good growth in China and India
- Good growth in catalyst sales for pharmaceuticals, speciality chemicals and edible oils
- Increasing sales of specialist opiates at Macfarlan Smith
- Pharmaceutical Materials in US achieved steady growth
- Research Chemicals well ahead
Fine Chemicals & Catalysts Division

- Integration of division has gone well
- New facility in China for pgm chemicals and catalysts
- Investment in new catalyst manufacturing capacity in China, India and Germany
- Sales of APIs to generic pharmaceutical companies expected to grow at 6% pa
- Future investment planned in Asia for APIs and Research Chemicals
Outlook
Divisions

• Emission Control Technologies should continue to deliver double digit growth in operating profit
• High energy prices and energy security concerns will continue to drive growth in Process Technologies
• Precious Metal Products will continue to benefit from favourable conditions in pgm markets
• Growth in Fine Chemicals & Catalysts should be similar to 2007/08
Outlook

Group

• First quarter started strongly
• We expect another year of good growth in 2008/09
• Medium term outlook remains very good driven by tightening environmental legislation, high energy prices and the need to make more efficient use of scarce resources