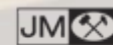




Presentation of Results for the half year ended 30th September 2008

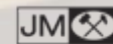
26th November 2008



Johnson Matthey

Cautionary Statement

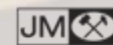
This presentation contains forward looking statements that are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries and sectors in which Johnson Matthey operates. It is believed that the expectations reflected 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.



Johnson Matthey

Introduction

Neil Carson
Chief Executive



Johnson Matthey

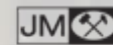
Highlights

- In the six months to 30th September 2008, sales (ex pms) up 10% and underlying operating profit up 23%
- Balance sheet remains strong
- Fall in vehicle sales and platinum group metal prices will affect the second half, but exchange rates are favourable
- In the longer term the group will benefit from tightening emission control standards. New diesel standards should lead to significantly higher sales for ECT in 2010



Financial Review

John Sheldrick
Group Finance Director



Johnson Matthey

Summary Results

	1H 2008 £m	1H 2007 £m	% change
Revenue	4,355	3,512	+24
Sales excluding precious metals	924	840	+10
Profit before tax	140.3	120.1	+17
Total earnings per share	46.8p	41.8p	+12
Underlying*:			
Profit before tax	144.9	120.8	+20
Earnings per share	48.4p	41.2p	+17
Dividend per share	11.1p	10.6p	+5

* Before amortisation of acquired intangibles and deferred tax credit in 2007

Operating Profit / Exchange

	1H 2008	1H 2007	Change	2007 at 2008 exchange rates	Growth at constant rates
	£m	£m	%	£m	%
Environmental Technologies	77.8*	65.9*	+18	67.7*	+15
Precious Metal Products	64.2	47.2	+36	49.4	+30
Fine Chemicals & Catalysts	32.4	31.0	+5	32.4	-
Corporate	(10.1)	(11.0)		(11.1)	
Group	164.3	133.1	+23	138.4	+19

* Before amortisation of acquired intangibles

Return on Sales

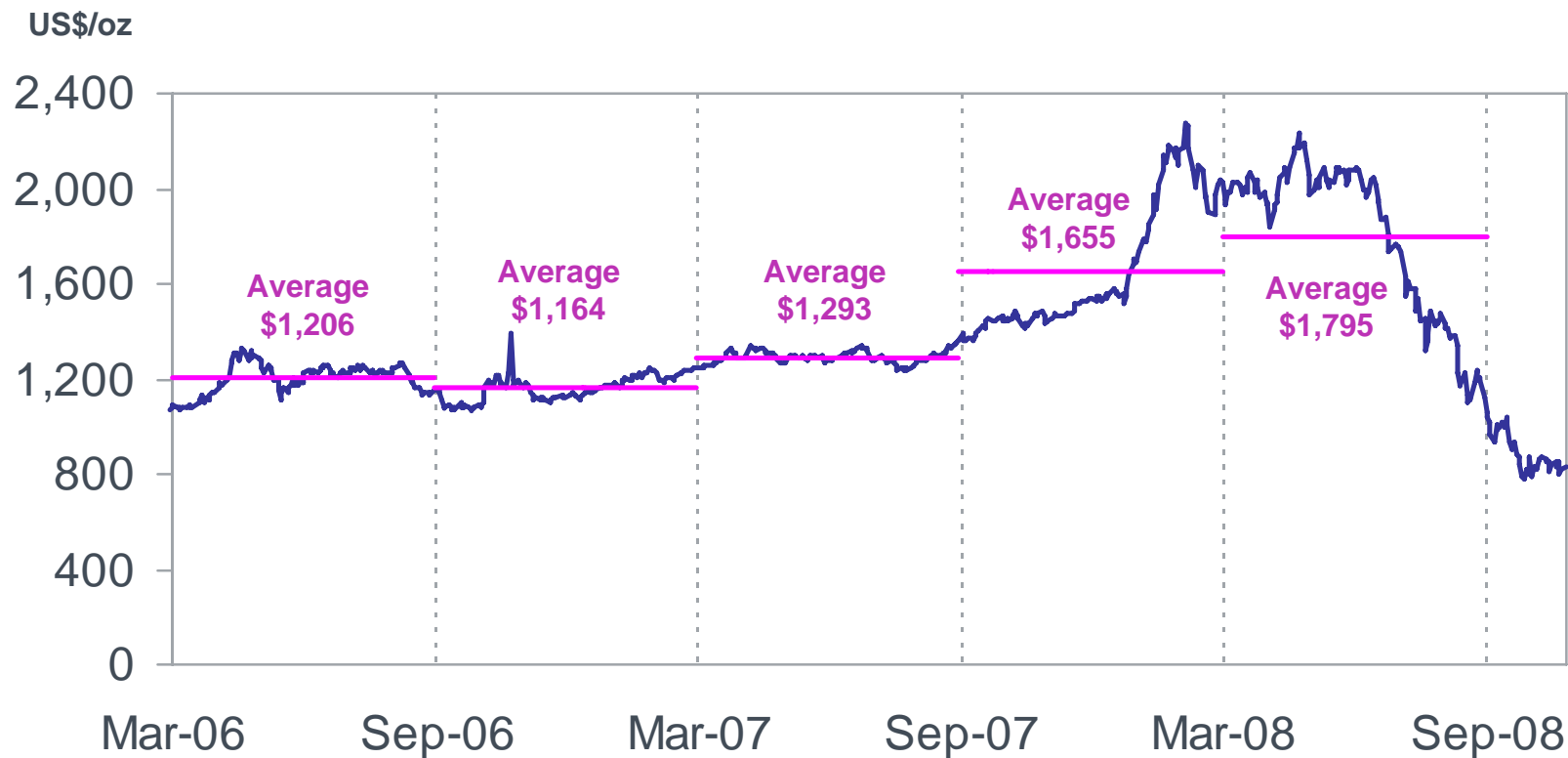
Excluding Precious Metals

	Sales ex pms			ROS	
	1H	1H	Growth	1H	1H
	2008	2007		2008	2007
	£m	£m	%	%	%
Environmental Technologies	596	541	+10	13.1	12.2
Precious Metal Products	168	151	+12	38.1	31.3
Fine Chemicals & Catalysts	160	148	+9	20.2	21.0
Group	924	840	+10	17.8	15.9

Sensitivities

- Platinum group metal prices
- Exchange rates
- Car production

Platinum Price



Sensitivity to Pgm Prices

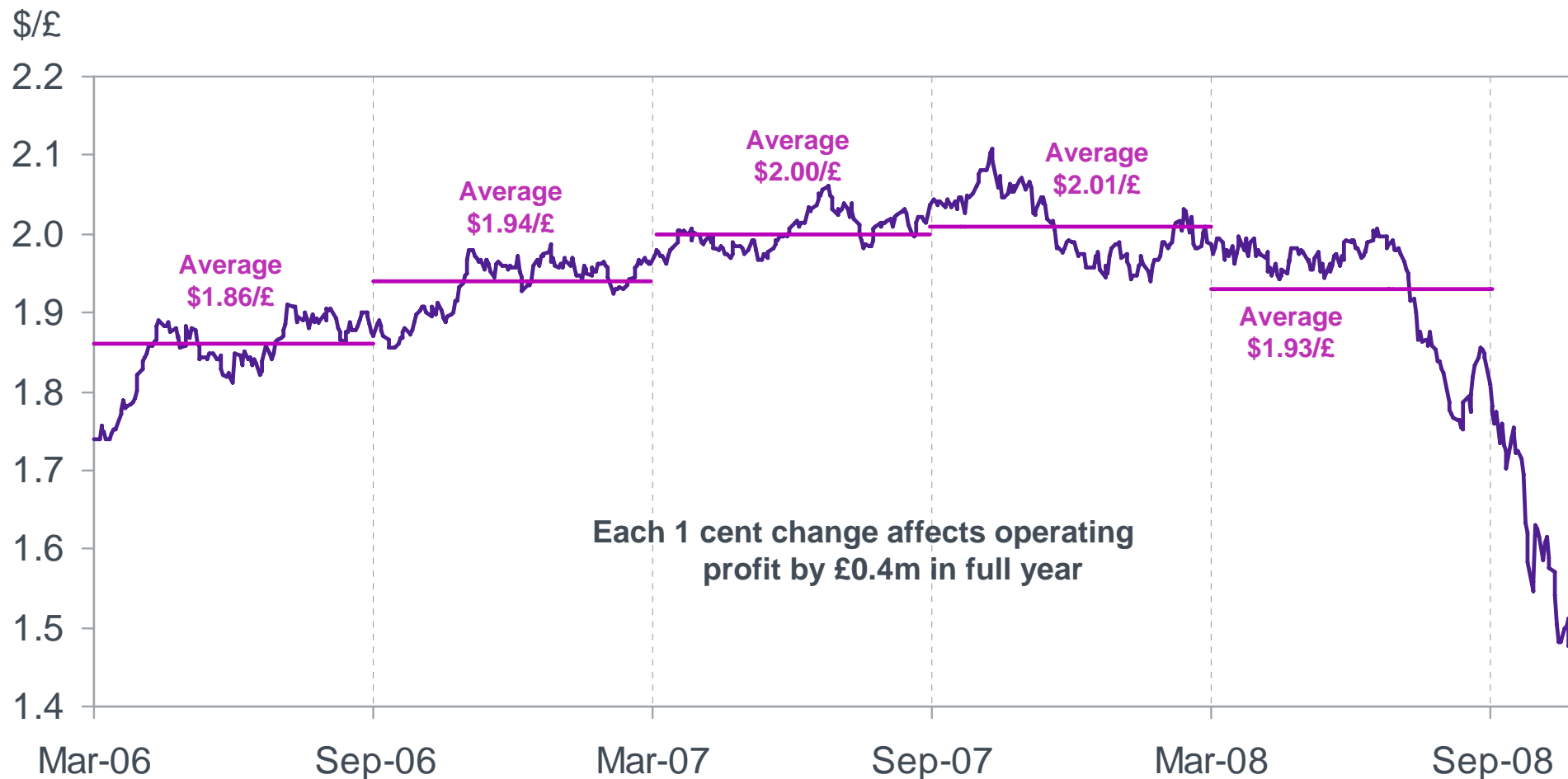
June sensitivity

- 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
- Demand for recycling secondary materials (e.g. spent catalysts, autocatalyst scrap) affected by pgm prices

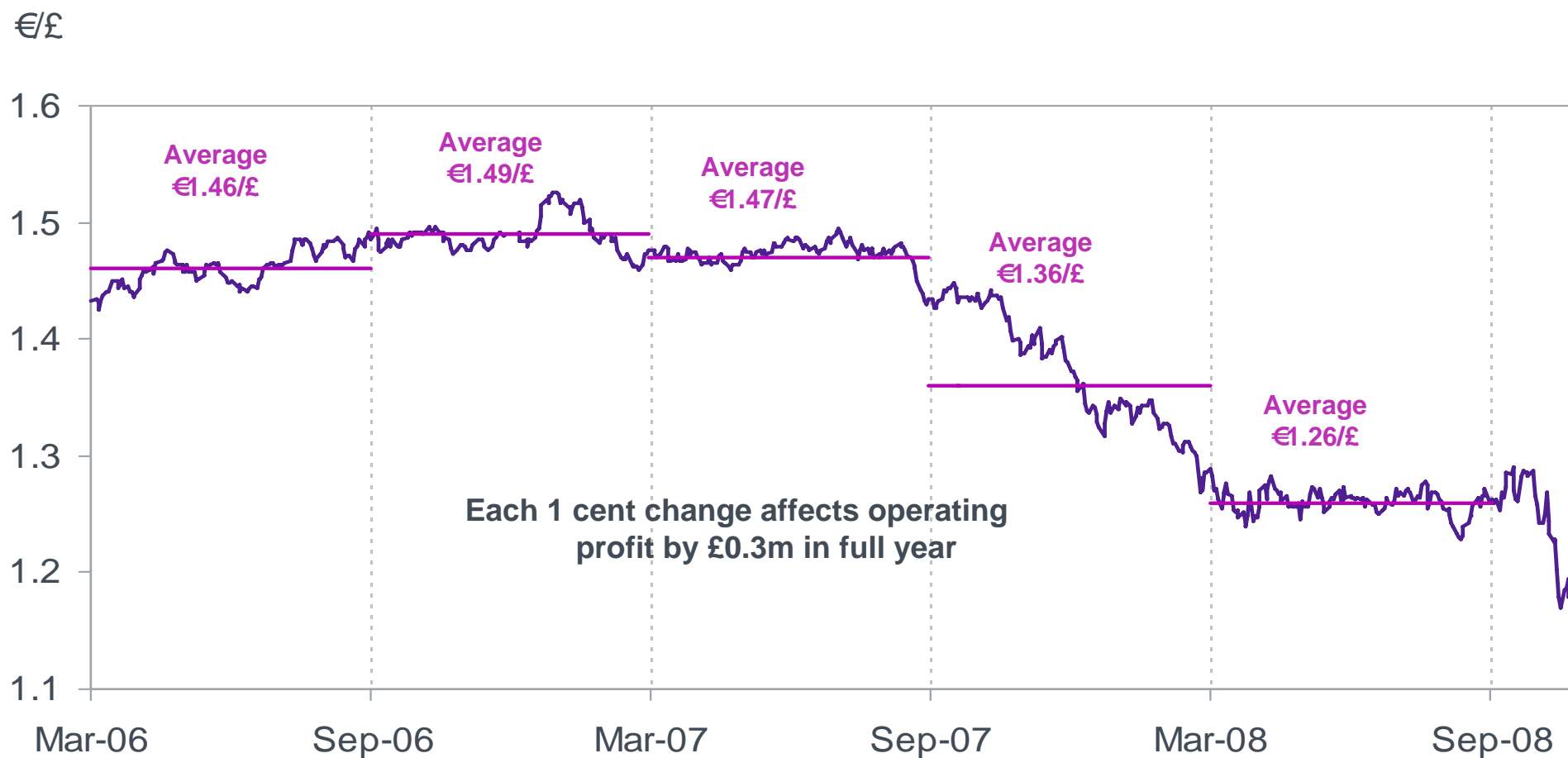
November sensitivity

- At 25th November 2008 prices (Pt \$872/oz) a 10% change in the basket of pgms has roughly a £2m effect in a full year

US Dollar Exchange Rates



Euro Exchange Rates



Sensitivity to Car Production

- We are assuming global car production will fall by around 11% in our second half compared with same period last year
- Environmental Technologies' sales will fall less than car production
 - Process Technologies
 - Powerplants catalysts
 - Filters
- Impact on operating profit depends on level of return on sales and the proportion of costs that are fixed
- JM has a high proportion of variable costs (especially materials and production)
- Based on our assumption for car production, we expect return on sales for Environmental Technologies Division to remain over 10%

Interest and Taxation

	1H 2008 £m	1H 2007 £m
Net finance costs (interest)	(19.9)	(12.5)
Income tax expense	(41.3)	(32.5)
Underlying tax rate (tax / profit before tax)	29.4%	28.6%

Net Cash Flow

	1H 2008 £m	1H 2007 £m
Operating profit	160	132
Depreciation and amortisation	49	38
Tax paid	(67)	(32)
Working capital / other	3	(31)
Cash flow from operations	145	107
Interest / dividends	(73)	(62)
Net capital investment	(69)	(57)
Acquisitions / disposals	(2)	(1)
Shares bought	1	(48)
Net cash flow	2	(61)

Capital

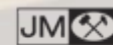
	30 th Sept 08 £m	31 st March 08 £m
Net debt	620	610
Equity	1,211	1,160
Capital employed	1,831	1,770
Gearing (net debt / equity)	51%	53%

Borrowing Facilities

- €125m five year loan from EIB drawn down in July 2008
- Total long term US Bonds / EIB loans at 30th September 2008 were £514m, of which only £19m matures before 2011
- £360m of committed bilateral bank facilities which are regularly extended. Most are currently committed beyond 2010

Operating Review

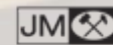
Neil Carson
Chief Executive



Johnson Matthey



Environmental Technologies Division



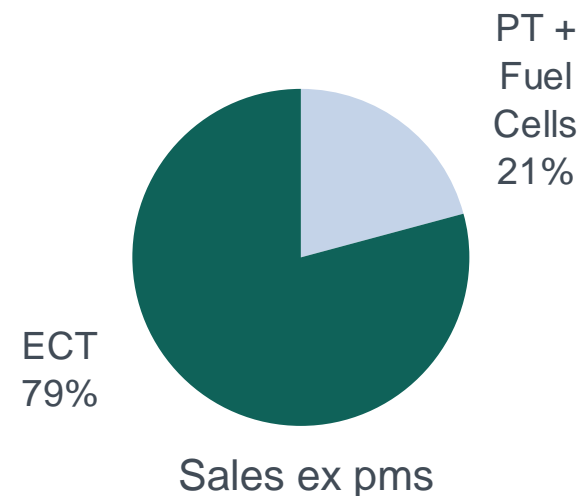
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Environmental Technologies Division

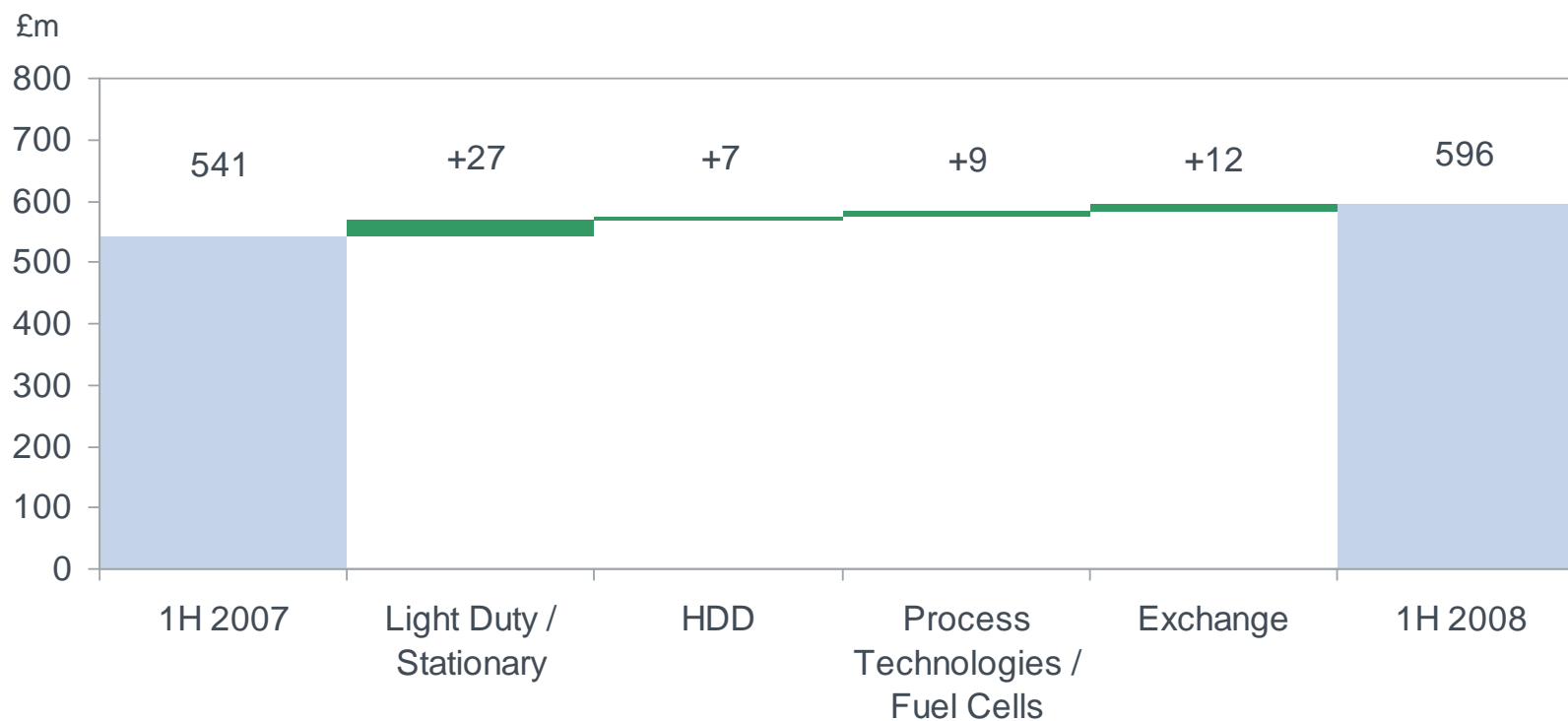
£m	1H 2008	1H 2007	%
Revenue	1,316	1,055	+25
Sales excluding precious metals	596	541	+10
Operating profit*	77.8	65.9	+18

* Before amortisation of acquired intangibles

- Emission Control Technologies' sales excluding precious metals up 10%
- Process Technologies' sales (ex pms) up 9%



Sales Excluding Precious Metals Environmental Technologies



Estimated Light Vehicle Sales and Production

		Half year to 30 th September		
		2008 millions	2007 millions	Change %
North America	Sales	8.7	10.0	-13.0
	Production	6.4	7.6	-15.8
Total Europe	Sales	11.4	11.2	+1.8
	Production	11.1	10.8	+2.8
Asia	Sales	8.5	8.1	+4.9
	Production	13.4	12.9	+3.9
Global	Sales	33.0	33.5	-1.5
	Production	34.6	34.7	-0.3

Source: Global Insight

Emission Control Technologies

Light Duty

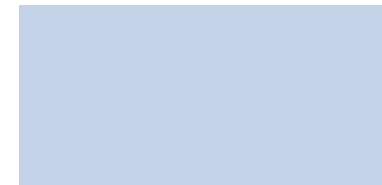
- Good sales growth in Asia, JM gaining share
- Increased DPF sales in Europe
- Volumes down in North America, costs reduced

Heavy Duty

- Overall sales up on last year
- European sales held up well in the first half, useful contribution from Argillon
- US sales down but customers expect pick up in 2009

Stationary

- Good Powerplant catalyst sales



Emission Control Technologies

Light Duty Vehicle Production Outlook

Light Duty Vehicle Production Forecasts

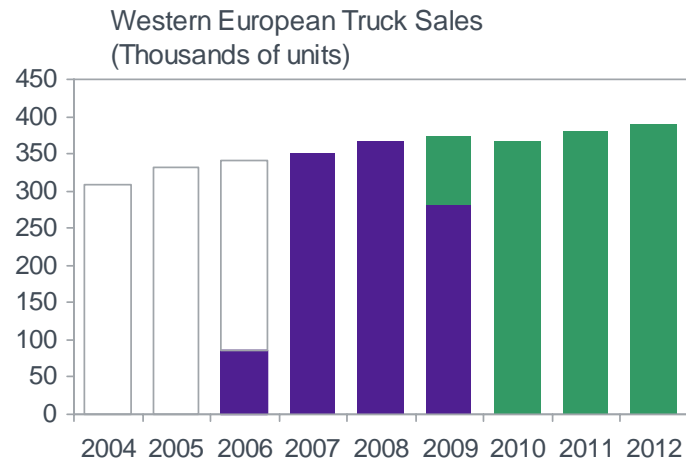


- These are recent industry forecasts
- Our assumption for the six months to 31st March 2009 is that global car production will fall by around 11%

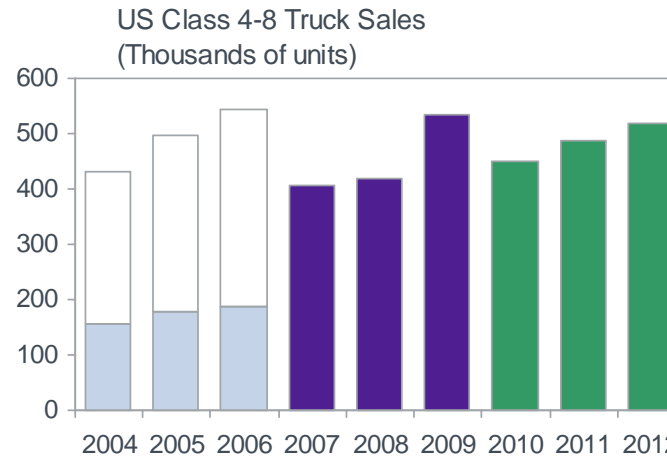
Source: Global Insight (October 2008)

Emission Control Technologies

Heavy Duty Diesel Vehicle Sales Outlook (June 2008)



Source: JD Power

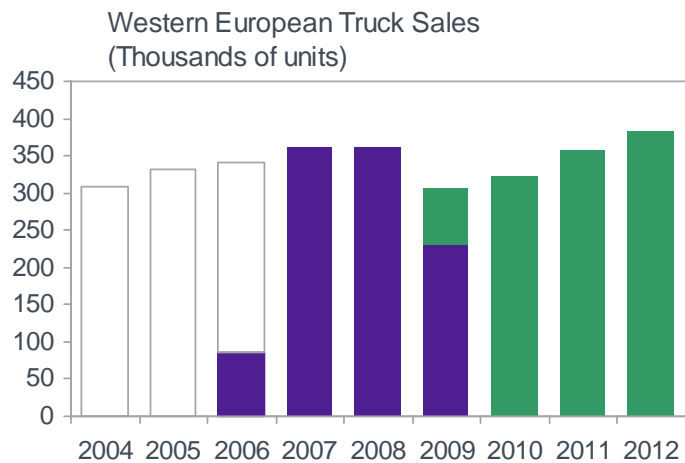


Source: Ward's, Global Insight and J D Power

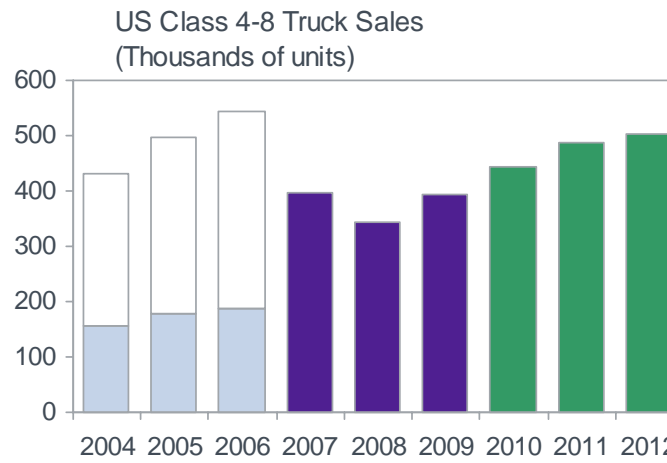
- No catalyst fitted
- DOC fitted
- Current regulations
- Euro V / US 2010 regulations

Emission Control Technologies

Heavy Duty Diesel Vehicle Sales Outlook (November 2008)



Source: JD Power

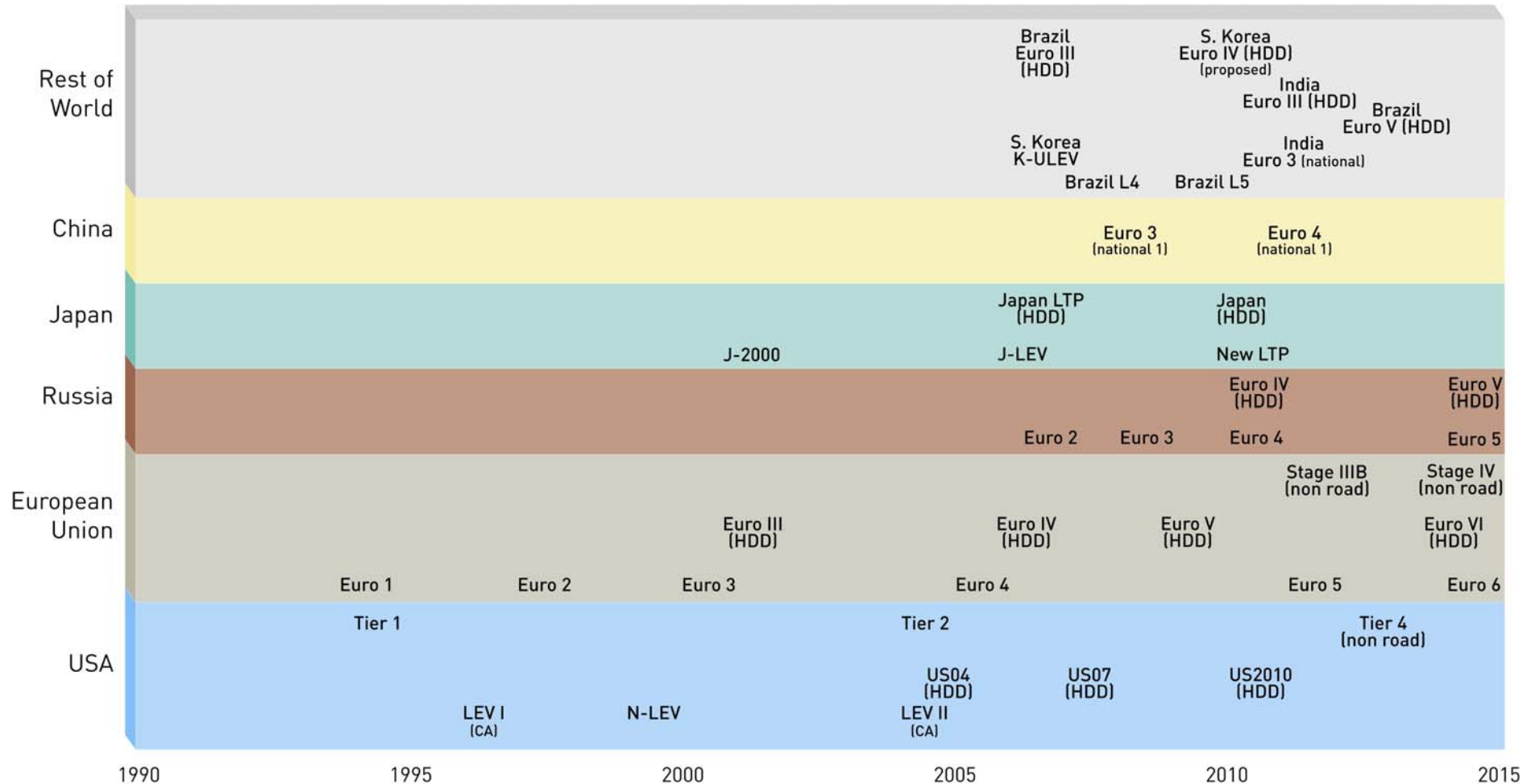


Source: Ward's, Global Insight and J D Power

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

Emission Control Technologies

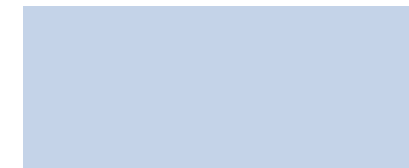
Legislation Timeline



Emission Control Technologies

Future Growth Prospects

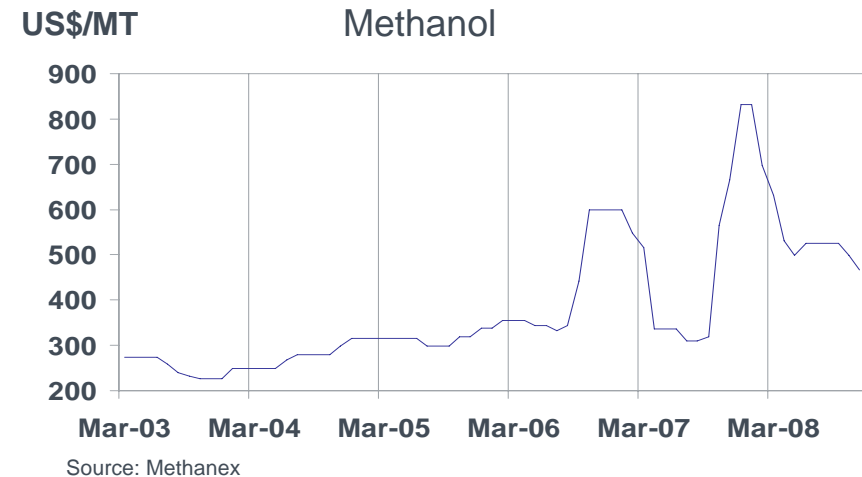
- Catalyst sales will fall in second half as a result of the decline in global vehicle sales
- Fitment of DPFs will double by January 2011
- HDD market for 2008 estimated to be \$620m (ex pms), JM share higher
- In 2010 legislation in North America will substantially increase sales of HDD catalysts
- We now estimate HDD market will rise to \$2.5bn (ex pms) by end of 2014
- Good medium term prospects for NOx control in non-vehicle markets (power stations, marine)



Process Technologies

Ammonia, Methanol, Oil and Gas (AMOG)

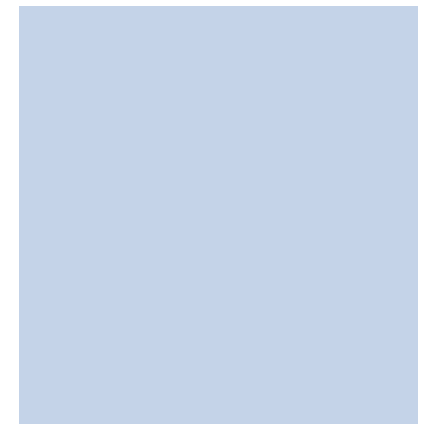
- Strong demand for hydrogen catalysts as fuel specifications tighten worldwide and refineries process dirtier crudes
- Environmental regulations supported good demand for purification products
- Continued firm demand for methanol and ammonia catalysts



Process Technologies

Davy Process Technology

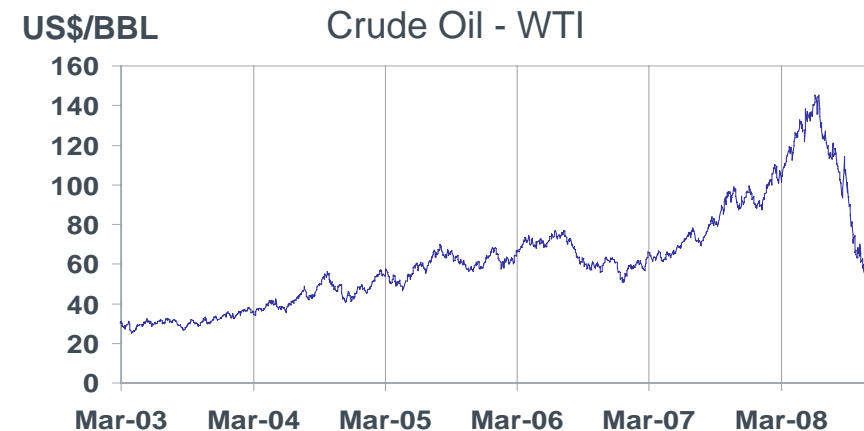
- Continued good growth
- Two new methanol plants licensed in China
- Further licences for oxo alcohol and butanediol plants, both in China
- New biodiesel technology collaboration with Endicott Biofuels. First plant licensed in USA
- Purified terephthalic acid (PTA) agreement with Dow



Process Technologies

Future Growth Prospects

- Oil price has fallen dramatically from peak in July 2008
- Energy security remains a priority for many countries. Increased interest in utilising coal reserves supports continued project activity
- Second half performance underpinned by strong order book for both AMOG and DPT
- New syngas catalyst plant under construction - orders already in place for 2009/10



Fuel Cells

- Continued growth in sales to a wider range of customers
- Good order books for natural gas powered fuel cells for CHP applications
- Demand for DMFC products remains encouraging
- US Government Green Vehicles initiative receiving increased interest



A close-up photograph of a hand wearing a grey, textured glove. The hand is holding several black, cylindrical dental prosthetics with four circular openings. The background is a light, neutral color.

Precious Metal Products Division


Johnson Matthey

Precious Metals Products Division

£m	1H 2008	1H 2007	%
Revenue	2,719	2,201	+24
Sales excluding precious metals	168	151	+12
Operating profit	64.2	47.2	+36

- High pgm prices in first quarter and volatility provided favourable trading conditions for our Platinum Marketing and Distribution business
- Manufacturing businesses also well ahead in the first half

Precious Metals Products Division

Metal Prices

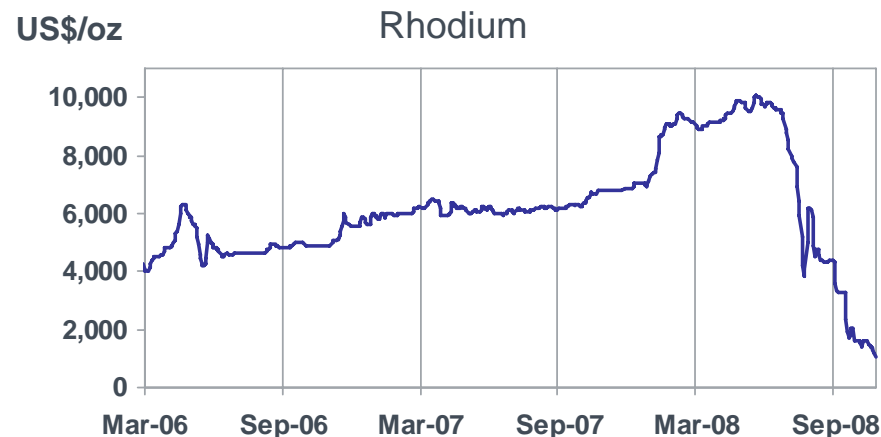
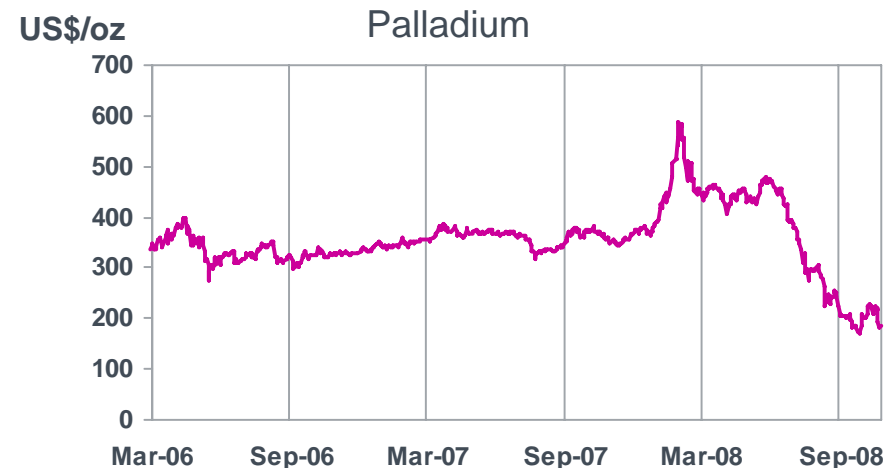
- Pt demand expected to fall by 2% in calendar 2008. Good growth in European automotive (especially in first six months) offset by lower sales to jewellery in China and Japan. Supply also expected to fall with reduced output from South Africa. Average price in 1H 2008/09 \$1,795/oz up 39%
- Since 30th September price has fallen significantly in line with general sell off of commodities despite expected deficit of 240k ounces in 2008



Precious Metals Products Division

Metal Prices

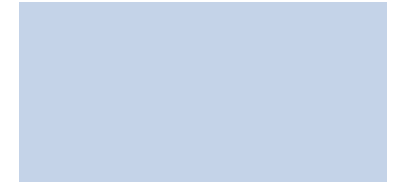
- Pd demand up 4%. Autocatalyst demand grows in China and Europe but falls in North America. Jewellery demand ahead. Supply falls by 12.5% with large decrease in sales of Russian State stocks. Average price in 1H 2008/09 \$391/oz up 9%
- Rh demand down 6%. Autocatalyst demand lower in North America reflecting lower car sales. Supply expected to fall by 9% with a reduction in output from South Africa. Average price in 1H 2008/09 \$8,142/oz up 32%



Precious Metal Products Division

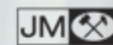
Manufacturing Businesses

- Noble Metals achieved good sales of industrial products and medical components
- Pgm Refining and Recycling well ahead on strong demand
- Colour Technologies' profit ahead of last year with weaker sales of automotive glass enamels offset by savings on material costs
- Gold refining also strong with high levels of activity as gold is seen as a safe haven





Fine Chemicals & Catalysts Division



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Fine Chemicals & Catalysts Division

£m	1H 2008	1H 2007	%
Revenue	320	256	+25
Sales excluding precious metals	160	148	+9
Operating profit	32.4	31.0	+5

- Revenue growth boosted by good sales of platinum products
- Division benefits from exchange translation with a significant proportion of its operations in US

Fine Chemicals & Catalysts Division

- Catalysts and Chemicals achieved good growth in catalyst sales to pharmaceuticals, speciality chemicals and edible oils
- Macfarlan Smith performed well with good growth in specialist opiates
- Pharmaceutical Materials and Services' profit was down as a result of lower income from amphetamine salts
- Good performance from Research Chemicals



Fine Chemicals & Catalysts Division

Future Growth Prospects

- Division is expected to deliver steady growth in the second half
- New catalysts and chemicals manufacturing capacity in Asia to support future growth in the region
- Pharmaceutical Materials and Services should benefit from launch of the generic version of Adderall XR[®] in April 2009



Outlook

Divisions

- Global car sales are expected to fall in second half of our financial year compared with the equivalent period last year. ECT will benefit from lower costs. Process Technologies has good order book
- Precious Metal Products' profit will be lower in the second half if pgm prices remain at current levels, but volatility helpful
- Fine Chemicals & Catalysts expected to achieve steady growth
- Reported results will benefit from favourable exchange translation

Outlook

Group

- Our forecast assumes pgm prices and exchange rates remain at current levels and global car production falls by around 11% in the second half compared with last year. On that basis we estimate second half underlying profit before tax would be around 5% - 15% below last year
- Our expected range for underlying earnings per share (before amortisation of acquired intangibles) for the full year would be 90p to 94p (1% - 5% up on 2007/08)
- We have strong market positions, leading technology and our finances are in good shape. The long term drivers for our businesses remain firmly in place. JM well positioned to weather the current economic downturn



Johnson Matthey