Presentation of Results for the year ended 31st March 2010

3rd June 2010
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

- Sales (ex pms) up 5%
- Underlying operating profit down 9%, underlying PBT down 5%
- First half impacted by recession
- Recovery in second half helped by:
  - Improved light duty vehicle sales
  - Higher precious metal prices
- Strong cash generation
- Balance sheet remains strong
- Group well placed to return to growth
## Summary Results

<table>
<thead>
<tr>
<th>Year to 31st March</th>
<th>2010</th>
<th>2009</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>7,839</td>
<td>7,848</td>
<td>-</td>
</tr>
<tr>
<td>Sales excluding precious metals</td>
<td>1,886</td>
<td>1,797</td>
<td>+5</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>228.5</td>
<td>249.4</td>
<td>-8</td>
</tr>
<tr>
<td>Total earnings per share</td>
<td>77.6p</td>
<td>82.6p</td>
<td>-6</td>
</tr>
<tr>
<td>Underlying*:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>254.1</td>
<td>267.9</td>
<td>-5</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>86.4p</td>
<td>89.6p</td>
<td>-4</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>39.0p</td>
<td>37.1p</td>
<td>+5</td>
</tr>
</tbody>
</table>

* Before amortisation of acquired intangibles, major impairment and restructuring charges and profit or loss on disposal of businesses
Underlying Operating Profit / Exchange

<table>
<thead>
<tr>
<th>Year to 31st March</th>
<th>2010 £m</th>
<th>2009 £m</th>
<th>Change %</th>
<th>2009 at 2010 rates £m</th>
<th>Growth at constant rates %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Technologies</td>
<td>120.9</td>
<td>124.3</td>
<td>-3</td>
<td>129.1</td>
<td>-6</td>
</tr>
<tr>
<td>Precious Metal Products</td>
<td>116.7</td>
<td>143.0</td>
<td>-18</td>
<td>148.9</td>
<td>-22</td>
</tr>
<tr>
<td>Fine Chemicals</td>
<td>55.8</td>
<td>49.5</td>
<td>+13</td>
<td>51.1</td>
<td>+9</td>
</tr>
<tr>
<td>Corporate</td>
<td>(21.6)</td>
<td>(18.3)</td>
<td></td>
<td>(18.4)</td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td>271.8</td>
<td>298.5</td>
<td>-9</td>
<td>310.7</td>
<td>-13</td>
</tr>
</tbody>
</table>

- Average rates for year:
  - $1.595/£ (2009 $1.719/£)
  - €1.129/£ (2009 €1.205/£)
- Each 1 cent change in average exchange rate affects annual operating profit by:
  - $ - £0.4m
  - € - £0.4m
Interest and Taxation

<table>
<thead>
<tr>
<th>Year to 31st March</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Net finance costs (interest)</td>
<td>(19.4)</td>
<td>(32.6)</td>
</tr>
<tr>
<td>Underlying income tax expense</td>
<td>(71.2)</td>
<td>(79.2)</td>
</tr>
<tr>
<td>Underlying tax rate (underlying tax / underlying profit before tax)</td>
<td>28.0%</td>
<td>29.6%</td>
</tr>
</tbody>
</table>

Finance costs
- Reduced by £13.2m due to combination of lower interest rates and borrowings
- 65% of debt at 31st March 2010 fixed at average rate of 5.1%

Tax
- Lower tax rate partly due to changing geographic mix of profits
- Reduction in tax rate maintainable
## Net Cash Flow

<table>
<thead>
<tr>
<th>Year to 31st March</th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>251</td>
<td>280</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>140</td>
<td>110</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(1)</td>
<td>(85)</td>
</tr>
<tr>
<td>Working capital / other</td>
<td>(114)</td>
<td>196</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td><strong>276</strong></td>
<td><strong>501</strong></td>
</tr>
</tbody>
</table>

- Lower than expected working capital outflow
- **Net debt at 31st March 2010 - £473.4m**
  - Net debt / EBITDA of 1.2 (1.6 including post tax pension deficit)
  - Ample facilities for foreseeable future - €100m, 10 year loan (from February 2011) recently signed
- Retain efficient balance sheet
  - Net debt (incl. post tax pension deficit) / EBITDA between 1.5 and 2.0
Working Capital

• We monitor working capital days excluding pgms

• At 31\textsuperscript{st} March 2010, working capital days (excl. pgms) were 57 (2009 63)

• During 2010, working capital increased by:
  • Excl. pgms £24.9m
  • Pgms £77.1m

• Cash flow benefited from unusually high amounts of customer funded metal at 31\textsuperscript{st} March 2010
## Return on Invested Capital (ROIC)

<table>
<thead>
<tr>
<th></th>
<th>2010 £m</th>
<th>2009 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying operating profit</td>
<td>271.8</td>
<td>298.5</td>
</tr>
<tr>
<td>Average invested capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>1,213</td>
<td>1,169</td>
</tr>
<tr>
<td>Net debt</td>
<td>504</td>
<td>572</td>
</tr>
<tr>
<td>Total investment</td>
<td>1,717</td>
<td>1,741</td>
</tr>
<tr>
<td>Pre-tax ROIC</td>
<td>15.8%</td>
<td>17.1%</td>
</tr>
<tr>
<td>Pre-tax cost of capital</td>
<td>10.8%</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

- Modest reduction in ROIC due to lower operating profits – but lower asset base
- Long term target of 20% pre-tax ROIC remains
Capital Expenditure

- Capex / depreciation 1.2x (2009 2.0x)
- Going forward, capex likely to be between 1.0 and 1.2x depreciation
Pensions

- Post tax IAS19 UK and US pension deficit increased to £129.5m (2009 £63.1m)

- UK Actuarial Valuation:
  - UK actuarial deficit at 1st April 2009: £173m
  - From 1st April 2010, all employees moved to career average salary scheme

- Funding:
  - UK: 10 year funding plan from 1st April 2010 of £23m p.a.
  - US: $30m contributed in December 2009

- Income Statement:
  - Total UK and US pension cost £23.4m (2009 £17.7m)
  - Charge likely to increase by circa £6m
Operating Review

Neil Carson
Chief Executive
## Environmental Technologies Division

<table>
<thead>
<tr>
<th></th>
<th>Year to 31(^{st}) March</th>
<th>% change</th>
<th>% at constant rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£2,056</td>
<td>£2,226</td>
<td>-8</td>
</tr>
<tr>
<td>Sales excluding precious metals</td>
<td>£1,247</td>
<td>£1,135</td>
<td>+10</td>
</tr>
<tr>
<td>Underlying operating profit</td>
<td>£120.9</td>
<td>£124.3</td>
<td>-3</td>
</tr>
<tr>
<td>Return on sales (ex pms)</td>
<td>9.7%</td>
<td>10.9%</td>
<td></td>
</tr>
</tbody>
</table>

- Emission Control Technologies’ sales excluding precious metals up 12%
- Process Technologies’ sales (ex pms) up 3%
## Estimated Light Duty Vehicle Sales and Production

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales 2010</th>
<th>Sales 2009</th>
<th>Change %</th>
<th>Production 2010</th>
<th>Production 2009</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>13.0</td>
<td>14.4</td>
<td>-9.7</td>
<td>9.7</td>
<td>10.8</td>
<td>-10.2</td>
</tr>
<tr>
<td>Europe</td>
<td>18.5</td>
<td>19.9</td>
<td>-7.0</td>
<td>18.1</td>
<td>18.8</td>
<td>-3.7</td>
</tr>
<tr>
<td>Asia</td>
<td>24.2</td>
<td>17.2</td>
<td>+40.7</td>
<td>30.7</td>
<td>25.5</td>
<td>+20.4</td>
</tr>
<tr>
<td>Global</td>
<td>66.7</td>
<td>62.1</td>
<td>+7.4</td>
<td>65.2</td>
<td>61.5</td>
<td>+6.0</td>
</tr>
</tbody>
</table>

### Sales and Production by Half Year:

<table>
<thead>
<tr>
<th>Region</th>
<th>2H 2009/10</th>
<th>1H 2009/10</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>6.2</td>
<td>6.8</td>
<td>-8.8</td>
</tr>
<tr>
<td>Europe</td>
<td>9.1</td>
<td>9.4</td>
<td>-3.2</td>
</tr>
<tr>
<td>Asia</td>
<td>13.4</td>
<td>10.8</td>
<td>+24.1</td>
</tr>
<tr>
<td>Global</td>
<td>35.2</td>
<td>31.5</td>
<td>+11.7</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight
Emission Control Technologies
Light Duty

- Light duty catalyst sales (ex pms) up 17% to £754m
- Strong recovery in the second half
- JM’s sales volumes grew more than global car sales
- Production costs benefited from actions taken during downturn
- New, highly efficient production facility in Macedonia now operational
- Major expansion of autocatalyst production capacity in China
- Construction of new Chinese R&D facility now underway
Emission Control Technologies
Light Duty Vehicle Production Outlook

- Most recent industry forecasts for light duty vehicle production in calendar year
- Asia achieved growth in 2009 and will continue to be main engine of growth in 2010 and 2011
- Slower growth expected in North America and Europe. Some improvement over previous forecasts

Source: IHS Global Insight (March 2010)
## Estimated HDD Truck Sales and Production

### North America
- **Sales**: 251.4 thousand (2010) vs. 350.4 thousand (2009), -28%
- **Production**: 239.7 thousand (2010) vs. 340.2 thousand (2009), -30%

### EU
- **Sales**: 196.4 thousand (2010) vs. 354.7 thousand (2009), -45%
- **Production**: 194.7 thousand (2010) vs. 474.0 thousand (2009), -59%

### Year to 31st March

<table>
<thead>
<tr>
<th>Region</th>
<th>2010 Thousands</th>
<th>2009 Thousands</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>251.4</td>
<td>350.4</td>
<td>-28</td>
</tr>
<tr>
<td>EU</td>
<td>196.4</td>
<td>354.7</td>
<td>-45</td>
</tr>
</tbody>
</table>

### 2H vs. 1H 2009/10

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2009/10 Thousands</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2H</td>
<td>134.2</td>
<td>+15</td>
</tr>
<tr>
<td>1H</td>
<td>133.8</td>
<td>+26</td>
</tr>
</tbody>
</table>

### Sales vs. Production

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales 2010/11</th>
<th>Production 2010/11</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>196.4</td>
<td>194.7</td>
<td>-12</td>
</tr>
<tr>
<td>EU</td>
<td>91.9</td>
<td>105.1</td>
<td>+17</td>
</tr>
</tbody>
</table>

Source: J D Power Automotive Forecasting
Emission Control Technologies
Heavy Duty

- HDD vehicle sales depressed in year. Europe and USA down 45% and 28% respectively
- JM’s HDD catalyst sales (ex pms) fell by 5% in 2009/10
- HDD business made small operating loss
- HDD market estimated to be US $400m in 2009/10. JM share temporarily increased to >65%
- Some early signs of recovery in US market
- Growth prospects for HDD business remain strong
Emission Control Technologies
Heavy Duty Diesel Vehicle Sales Outlook (March 2010)

Western European Truck Sales
(Thousands of units)

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

Source: JD Power, ACT Research and Johnson Matthey

Legend:
- No catalyst fitted
- DOC fitted
- Current regulations (Euro IV / US 07)
- Euro V / US 2010 regulations
- Euro VI regulations
- Sales outlook at October 2009
Process Technologies

- AMOG performed well overall
  - Strong sales to ammonia and methanol markets
  - Demand for gas purification products held up well
  - Hydrogen catalyst sales down, impacted by slowdown in oil refining activity
- JM expanding catalyst manufacturing capacity to meet demand from growing syngas markets
- Looking at future options for the Vertec business
Process Technologies
Davy Process Technology (DPT)

- Eight new contracts won in 2009/10
- Particularly successful in China
  - Three new methanol plants, all using coal feedstock
  - One oxo alcohols plant
  - Two speciality chemicals facilities
  - First world scale synthetic natural gas (SNG) plant in China
- Markets for existing technologies growing at double digit CAGR
- DPT continues to broaden its technology portfolio

![Market Size for Technologies Currently Licensed by DPT](chart)

Source: Johnson Matthey estimates
Process Technologies
Methanol – Revolutionary New Catalyst

- Apico methanol synthesis catalyst launched in June 2009
- New manufacturing plant at Clitheroe now operational
  - World’s first continuous syngas catalyst manufacturing plant
  - Ground breaking catalyst science and manufacturing technology
- Apico delivers huge value for customers
  - Faster start up
  - Fewer by products
  - Increased methanol production, longer catalyst life
  - A more sustainable product
- 11% CAGR in methanol demand since 2006
  - 20% of AMOG and DPT sales (ex pms) in 2009/10

Global Methanol Demand
Million metric tonnes

Source: CMAI / 2008 World Methanol Conference
Precious Metal Products Division
Precious Metal Products Division

<table>
<thead>
<tr>
<th></th>
<th>Year to 31st March</th>
<th>% change</th>
<th>% at constant rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>5,562</td>
<td>5,402</td>
<td>+3</td>
</tr>
<tr>
<td>Sales excluding precious metals</td>
<td>420</td>
<td>447</td>
<td>-6</td>
</tr>
<tr>
<td>Underlying operating profit</td>
<td>116.7</td>
<td>143.0</td>
<td>-18</td>
</tr>
<tr>
<td>Return on sales (ex pms)</td>
<td>27.8%</td>
<td>32.0%</td>
<td></td>
</tr>
</tbody>
</table>

- Sales (ex pms) impacted by metal prices, particularly in first half, and effect of recession on manufacturing businesses
- Performance improved in second half
Precious Metal Products Division
Platinum Marketing and Distribution

- Pt market in surplus by 285,000 oz in 2009
- Average Pt price in 2009/10 $1,343/oz, down 3% on prior year
- Pd market in surplus by 760,000 oz in 2009
- Average Pd price in 2009/10 $325/oz, up 10% on prior year
- PMM’s profit fell in 2009/10 but performance improved in the second half as metal prices recovered
Precious Metal Products Division
Manufacturing Businesses

- Manufacturing businesses had a difficult year
  - Later into recession
  - Later recovery
- Noble Metals’ sales (ex pms) down 5%
- Catalysts and Chemicals’ sales (ex pms) down 14%
- Refining sales (ex pms) down 6%
- Colour Technologies slightly ahead of last year
Fine Chemicals Division
Fine Chemicals Division

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>2010</th>
<th>2009</th>
<th>% change</th>
<th>% at constant rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>221</td>
<td>220</td>
<td></td>
<td>+1</td>
<td>-4</td>
</tr>
<tr>
<td>Sales excluding precious metals</td>
<td>219</td>
<td>215</td>
<td></td>
<td>+2</td>
<td>-2</td>
</tr>
<tr>
<td>Underlying operating profit</td>
<td>55.8</td>
<td>49.5</td>
<td></td>
<td>+13</td>
<td>+9</td>
</tr>
<tr>
<td>Return on sales (ex pms)</td>
<td></td>
<td>25.5%</td>
<td>23.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Modest growth in challenging market
- Division benefited from US $12m one-off payment from launch of generic ADDERALL XR®
Fine Chemicals

- Good growth in speciality opiates, offset by raw material supply issues at Macfarlan Smith
- Pharmaceutical Materials and Services’ sales (ex pms) up 14%
  - Manufacturing business performed well
  - Difficult year for contract research business
- Generic market offers good growth opportunities for our APIs
  - New joint venture to manufacture in China
- Research Chemicals’ sales slightly up
  - Western markets suffered in first half, recovery in second half. Asian markets ahead
Outlook
First Half 2010/11 vs First Half 2009/10 (1)

Environmental Technologies:
• Operating profit should be significantly ahead
• ECT expected to perform well
  • Impact of end of scrappage schemes may take time to feed through
  • Benefit from some customer stockbuilding
• Process Technologies should continue to grow
Outlook
First Half 2010/11 vs First Half 2009/10 (2)

Precious Metal Products:
• Results will benefit from higher pgm prices
• Manufacturing businesses emerging from recession
• Division’s results in first half should be significantly ahead of same period last year

Fine Chemicals:
• Continued steady underlying growth

Group:
• Expected to make good progress
• Underlying PBT should be significantly higher
Outlook
Second Half 2010/11 and Longer Term

Second Half:
• Performance in second half harder to predict
• Group well positioned to take advantage of a recovery in global economies

Longer Term:
• Long term drivers of our businesses remain firmly place
• Strong balance sheet and proven business model
• Well placed to return to growth
Emission Control Technologies
Light Duty Vehicle Legislation

- Rest of World
  - S. Korea K-ULEV
    - Brazil L4
  - India Euro 3 (national)
    - Brazil L5
    - Brazil L6
- China
  - Euro 3 (national)
  - Euro 4 (national)
- Japan
  - J-2000
  - NLT
  - PNLT
- Russia
  - Euro 2
  - Euro 3
  - Euro 4
- European Union
  - Euro 1
  - Euro 2
  - Euro 3
  - Euro 4
  - Euro 5
  - Euro 6
- USA
  - LEV I (CA)
  - LEV II (CA)
  - N-LEV
  - LEV III (CA)

Timeline:
- 1990
- 1995
- 2000
- 2005
- 2010
- 2015
Emission Control Technologies
Heavy Duty Diesel Legislation

- Rest of World
  - Brazil (HDD)
  - S. Korea (HDD)
  - India (HDD)
  - Brazil (HDD)

- China
  - Euro III (HDD)
  - Euro IV (HDD)

- Japan
  - Japan LTP (HDD)
  - Japan (HDD)

- Russia

- European Union
  - Euro III (HDD)
  - Euro IV (HDD)
  - Euro V (HDD)
  - Euro VI (HDD)

- USA
  - Tier 1 (HDD)
  - Tier 2 (HDD)
  - US04 (HDD)
  - US07 (HDD)
  - US2010 (HDD)

1990 to 2015