



Presentation of Results for the year ended 31st March 2012

7th June 2012



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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



Johnson Matthey

Key Messages

Another year of strong growth

Further progress anticipated in 2012/13

Return of capital of 100 pence per share

Confidence in group's continuing growth potential

A woman with short brown hair and bangs, wearing safety glasses and a white lab coat, is smiling at the camera. She is holding a small vial in her right hand. The background shows a laboratory or industrial setting with various pieces of equipment, including a computer monitor on the left and a large piece of machinery on the right. The lab coat has a logo on the left chest that reads "JMC" with a crossed hammer and pickaxe icon.

Financial Review

Robert MacLeod
Group Finance Director



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Underlying Results

Year to 31 st March	2012 £m	2011 £m	% change
Revenue	12,023	9,985	+20%
Sales excluding precious metals	2,679	2,280	+17%
Operating profit	450.1	366.2	+23%
Interest	(24.1)	(20.7)	+16%
Profit before tax	426.0	345.5	+23%
Tax	(100.0)	(91.7)	
Profit after tax	326.0	253.8	+28%
Earnings per share	153.7p	119.0p	+29%
Ordinary dividend per share	55.0p	46.0p	+20%
Special dividend per share	100.0p	-	-

Note: All figures are before amortisation of acquired intangibles, major impairment and restructuring charges, profit or loss on disposal of businesses and, where relevant, related tax effects

Cash Flow from Operations

Year to 31 st March	2012 £m	2011 £m
Operating profit	433	280
Depreciation and amortisation	147	169
Tax paid	(69)	(65)
Working capital / other	(47)	(261)
Cash flow from operations	464	123

- At 31st March 2012, working capital days (excl. pms) were 54 (2011 60)
- During 2011/12, working capital increased by:
 - Excl. pms £41.5m
 - Pms £(60.9)m

- Net debt at 31st March 2012 – £454m, down by £185m
 - Net debt (incl. post tax pension deficits) / EBITDA of 1.0 (0.8 excluding pension)

Capital Structure

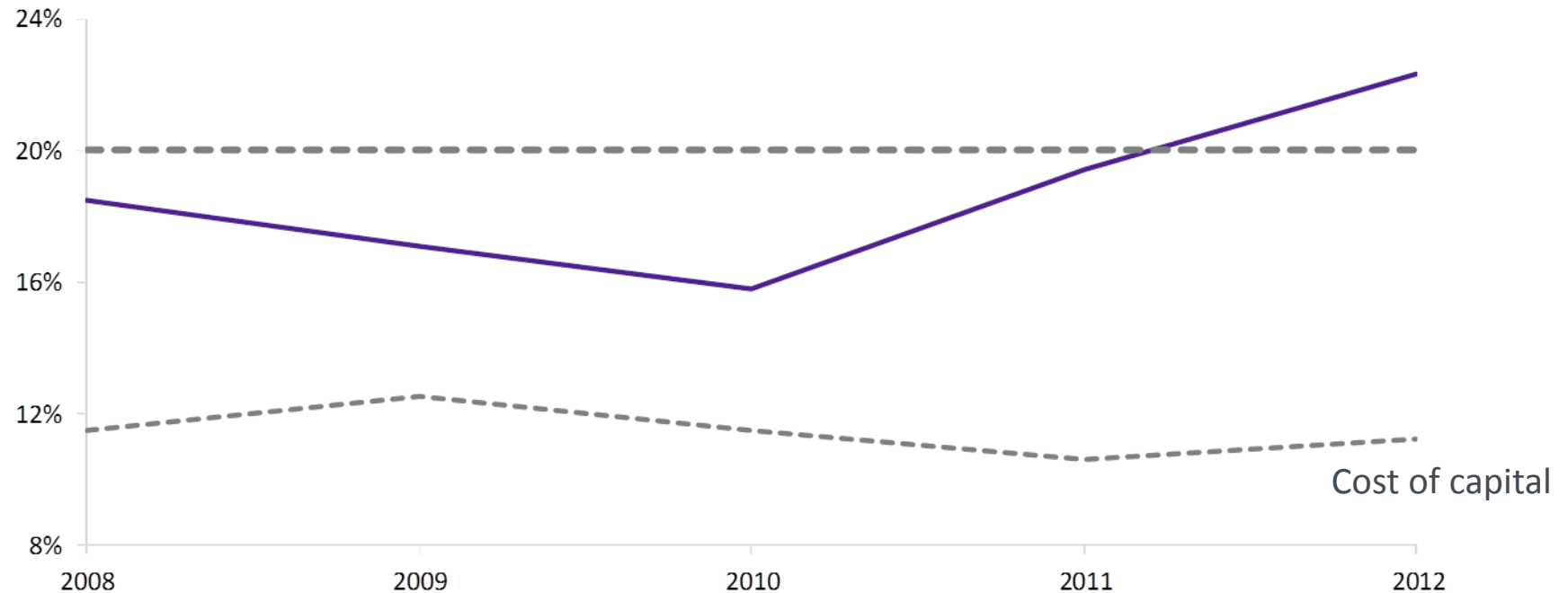
During year, board reviewed group's balance sheet

Group's business model allows modest debt – target 1.5 to 2.0 times

Recommending return of capital via special dividend of 100 pence per share

Pro forma net debt / EBITDA still conservative at 1.3 times

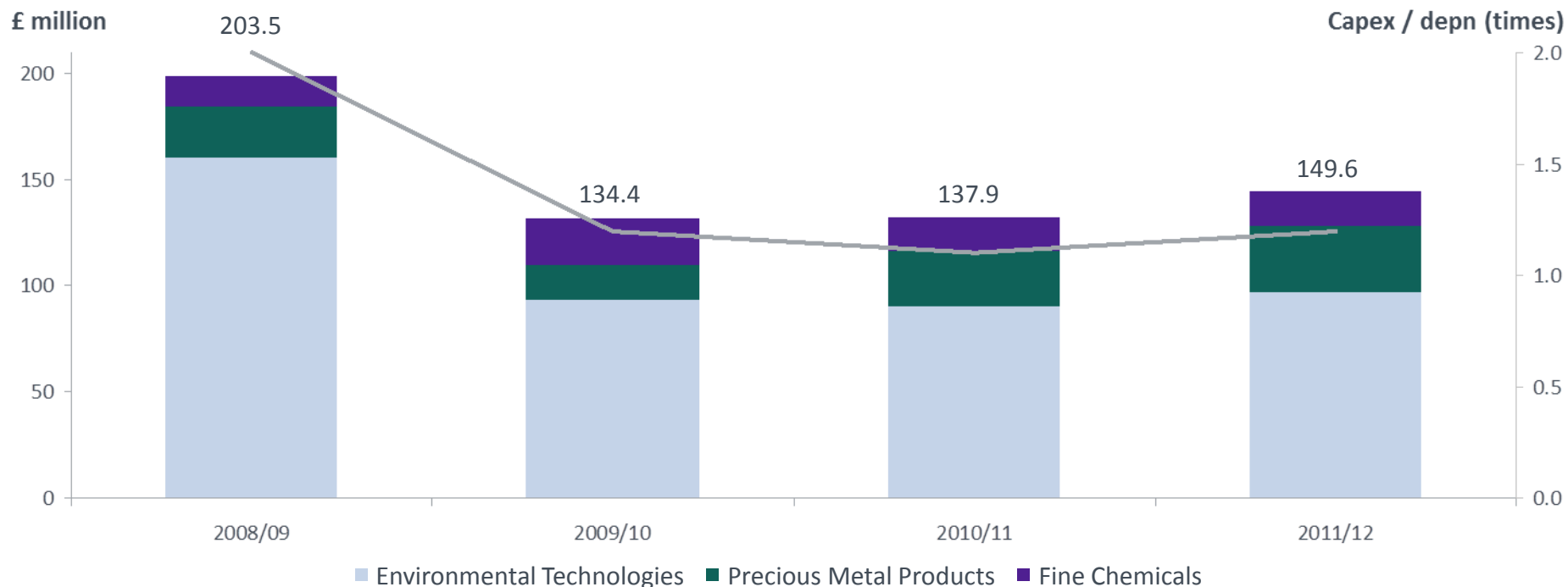
Return on Invested Capital (ROIC)



- Substantial increase in ROIC to 22.3%
– exceeding long term target

- Objective to maintain ROIC above 20%

Capital Expenditure



- Key projects in year:
 - Further expansion of:
 - Auto / HDD capacity in China
 - HDD capacity in Germany
 - New plants in UK and India for process catalysts
- Good growth opportunities – capex likely to average 1.5x to 1.7x depreciation over next three years

UK Pension Scheme



Actuarial valuation at 1st April 2012 underway

- Deficit expected to increase to around £250m (2009 £173m)
- Reviewing future UK pension provision



Cash contributions

- Total contributions in year:
Normal £22m
Deficit funding £23m
- Ongoing annual deficit contributions not expected to be materially different



IFRS

- Deficit at 31st March 2012 slightly higher than last year at £85m
- 2012/13 non-cash pension charge to increase by more than £10m due to low discount rate



Operating Review

Neil Carson
Chief Executive



Johnson Matthey



Environmental Technologies Division

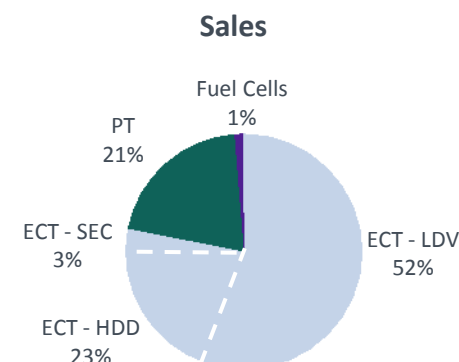


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Environmental Technologies Division

£m	Year to 31 st March		%	% at
	2012	2011	change	constant rates
Revenue	3,255	2,708	+20	+20
Sales (excluding precious metals)	1,876	1,566	+20	+20
Underlying operating profit	211.8	164.7	+29	+29
Return on sales	11.3%	10.5%		
Return on invested capital (ROIC)	14.2%	11.5%		

- Strong growth in ECT, led by HDD in US
- Excellent performance from DPT
- Good progress at Additives business
- Fuel Cells impacted by customer delays



Estimated Light Duty Vehicle Sales and Production

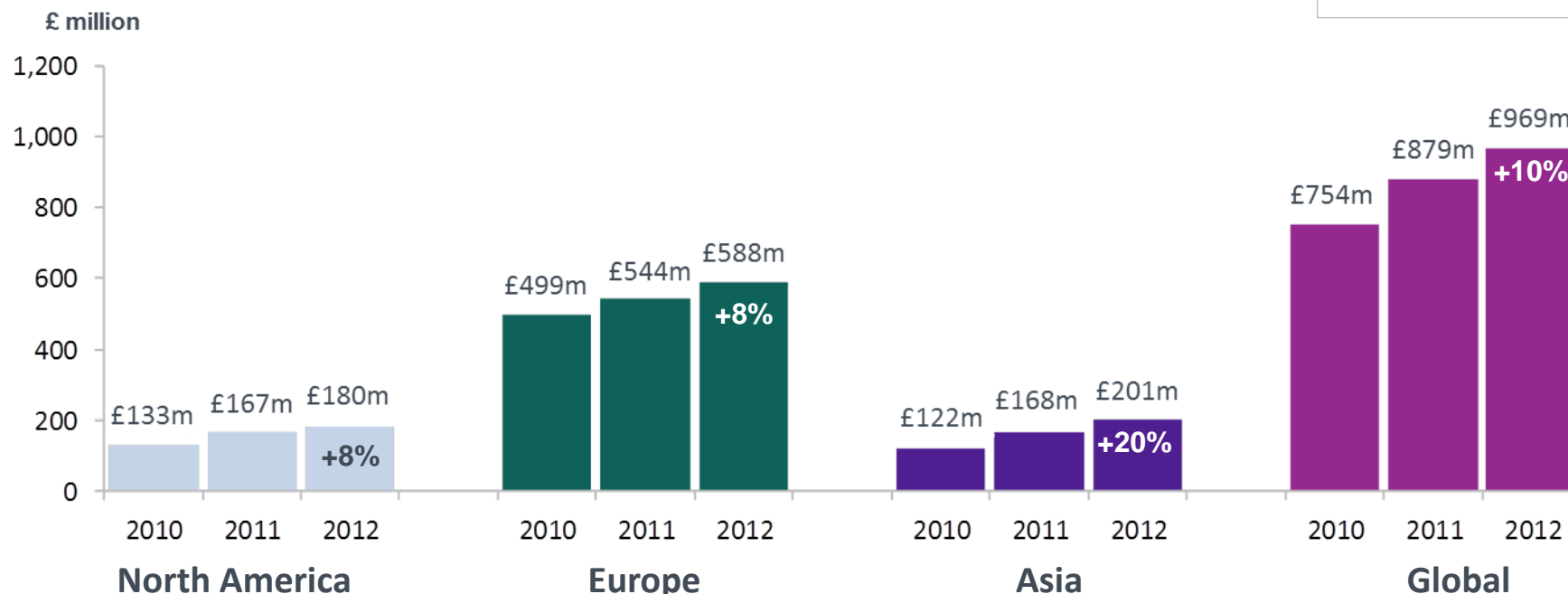
		Year to 31 st March			2H	1H	
		2012 millions	2011 millions	% change	2011/12 millions	2011/12 millions	% change
North America	Sales	15.6	14.5	+7.6	7.8	7.8	-
	Production	13.6	12.4	+9.7	7.3	6.3	+15.9
Europe	Sales	19.0	18.7	+1.6	9.4	9.6	-2.1
	Production	19.8	19.7	+0.5	10.0	9.8	+2.0
Asia	Sales	30.8	30.5	+1.0	16.6	14.2	+16.9
	Production	37.7	37.2	+1.3	20.1	17.6	+14.2
Global	Sales	76.1	73.9	+3.0	39.7	36.4	+9.1
	Production	77.7	75.8	+2.5	40.5	37.2	+8.9

Emission Control Technologies

JM's Light Duty Catalyst Sales – 2010-2012

Total sales

£969m up 10%



- Market continued to recover

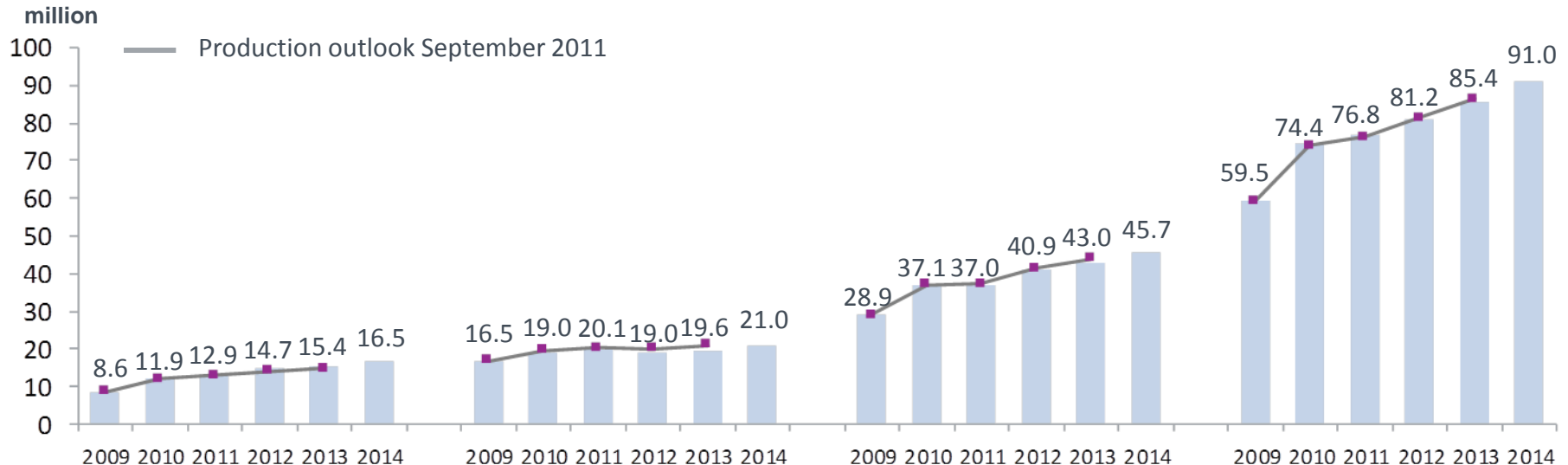
- Outperformed growth in vehicle production
- Diesel share up slightly to 55%

- Well ahead of market growth
- New business in China and South East Asia

- Operating profit impacted in 1H by higher rare earth prices (circa £15m)

Emission Control Technologies

Light Duty Vehicle Production Outlook – 2009-2014 (calendar years)



North America

- Steady recovery anticipated

Europe

- Slowdown expected for next two years

Asia

- Continued good growth in Asia

Global

Emission Control Technologies

Light Duty: Looking Ahead



1H 2012/13 will benefit from removal of headwinds:

- Rare earth prices now a pass through cost
- Japanese earthquake impacted 1H 2011/12



Euro 6 LDD legislation in 2014 drives increased demand for catalysts

- Expansion of catalyst manufacturing capacity in Macedonia and Royston, UK



Positive outlook for car demand in North America and Asia

Concerns over short to medium term demand in Europe

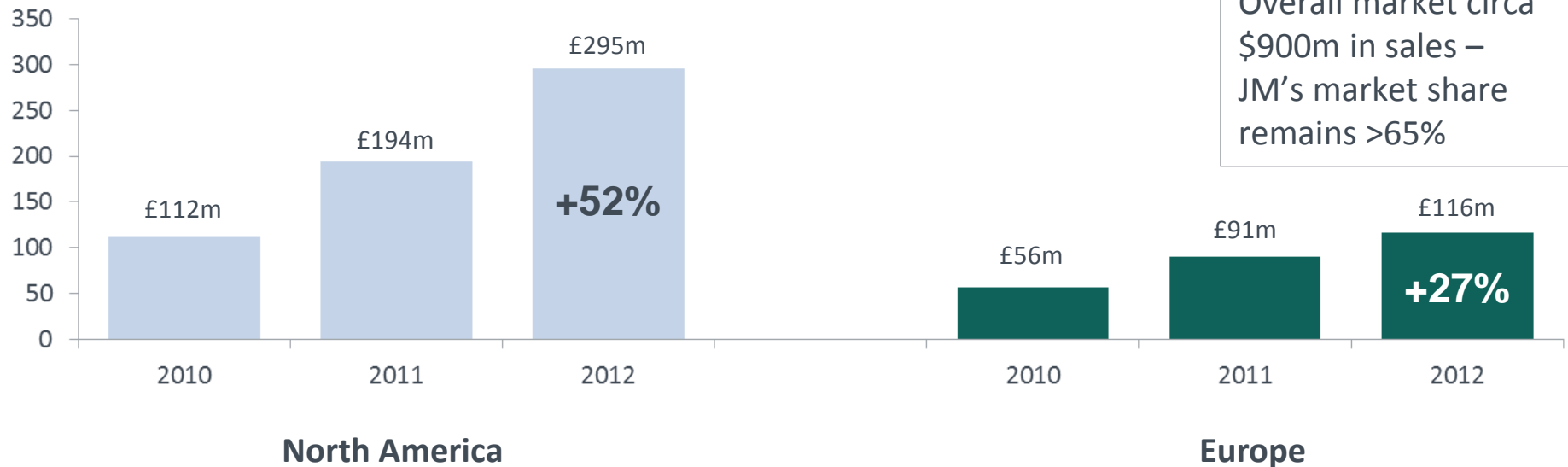
Estimated HDD Truck Sales and Production

		Year to 31 st March			2H	1H	
		2012	2011	%	2011/12	2011/12	%
		thousands	thousands	change	thousands	thousands	change
North America	Sales	405.2	287.4	+41.0	213.0	192.2	+10.8
	Production	451.8	301.0	+50.1	237.7	214.1	+11.0
EU	Sales	298.7	257.4	+16.0	155.1	143.6	+8.0
	Production	386.4	360.2	+7.3	191.9	194.5	-1.3

Emission Control Technologies

JM's Heavy Duty Diesel Sales – 2010 - 2012

£ million



Total sales

£438m up 48%

Overall market circa \$900m in sales – JM's market share remains >65%

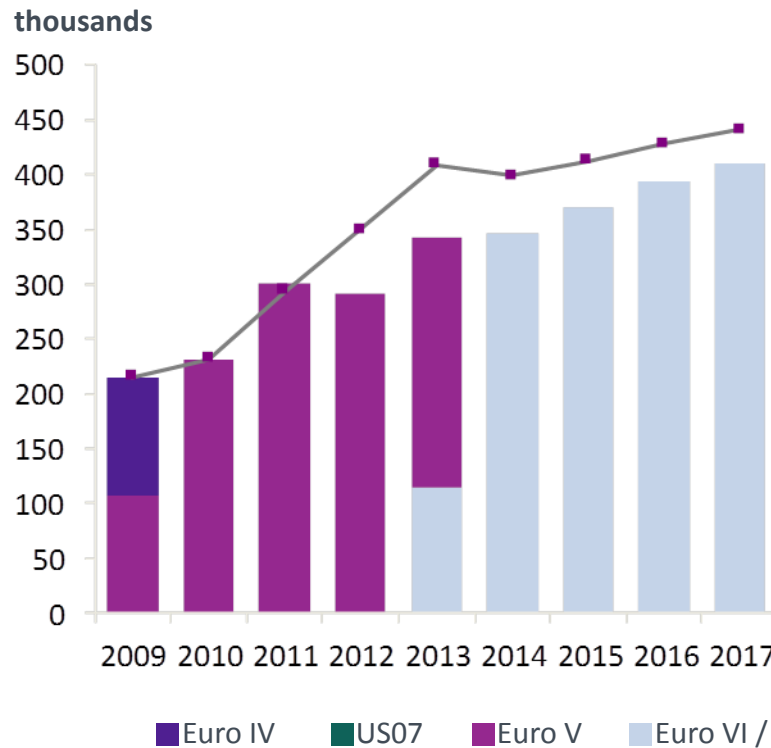
- Truck operators replacing ageing fleets
- Sales up in line with truck production

- Strong sales growth includes:
 - Export sales to Brazil
 - Good demand from Eastern Europe

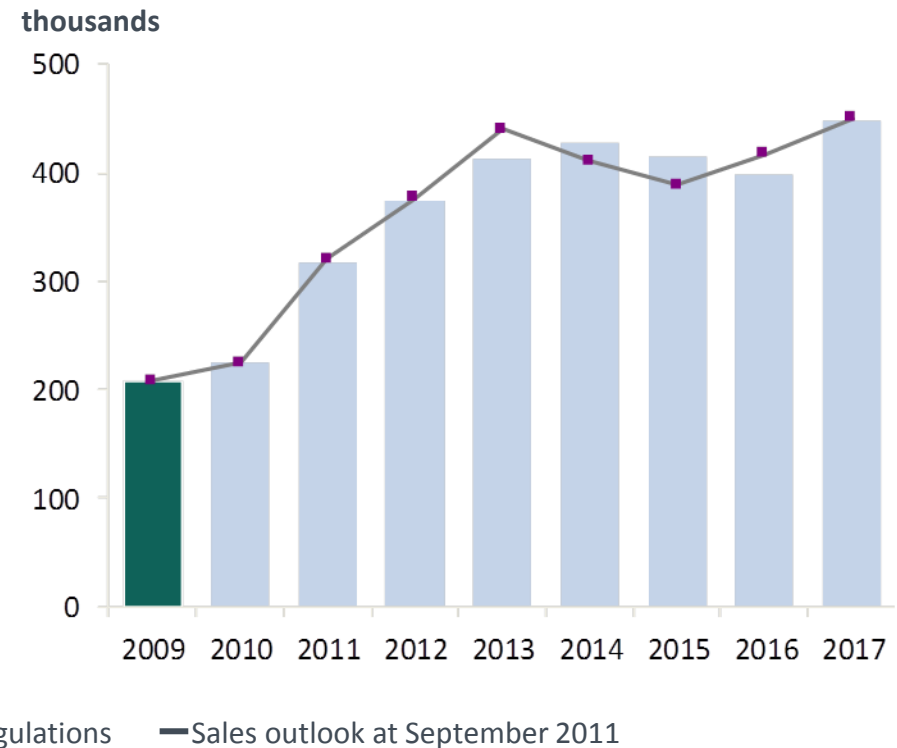
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Heavy Duty Diesel Vehicle Sales Outlook (calendar years)

EU Truck Sales



US Class 4-8 Truck Sales



Emission Control Technologies

Heavy Duty Diesel: Looking Ahead



Developed markets:

- Further growth in US demand expected in 2012/13
- Outlook for Europe less certain
- Euro VI and non-road legislation will substantially increase sales from 2013/14

Developing markets:

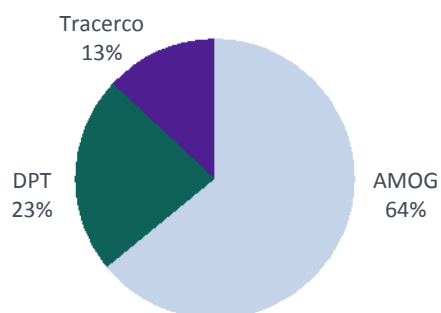
- Early sales to Chinese and Indian OEMs
 - Higher competition and lower catalyst value per truck expected
 - Chinese legislation delayed one year until mid 2013 due to fuel availability
 - Investment in new HDD line in China

Process Technologies

Catalyst Businesses (AMOG)

- Strong growth, sales up 27% to £256m
- Additives business performing ahead of our expectations
- Good demand for hydrogen and ammonia catalysts, sales of methanol catalysts down as expected

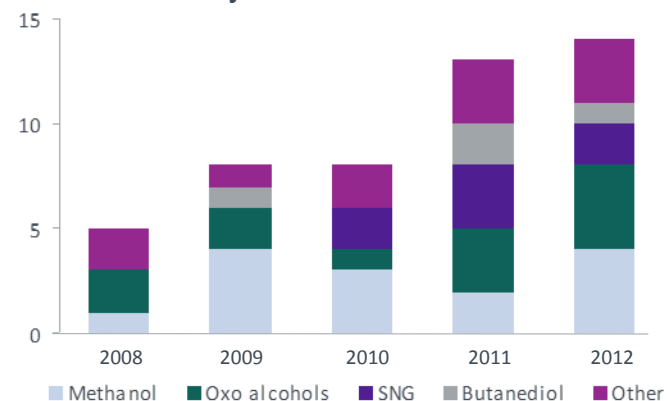
Total Sales 2011/12 £401m



Davy Process Technology

- An excellent year for DPT, sales up 42% to £94m
- A total of 14 new projects won
- Ten plants in China

DPT Projects Awarded 2008 – 2012



Process Technologies

Looking Ahead



- Steady growth in syngas catalysts expected
 - Adding capacity in UK and India to meet future demand
- Opportunities from Additives
 - Continue to leverage technology and market synergies
 - Planned expansion of plant in US
- Strong performance from DPT should continue in 2012/13
 - Strong demand for oxo alcohols plants in China
 - Range of new technologies available for license with more in development
- Longer term, Process Technologies' portfolio fits well with coal to products and shale gas opportunities



Precious Metal Products Division



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Precious Metal Products Division

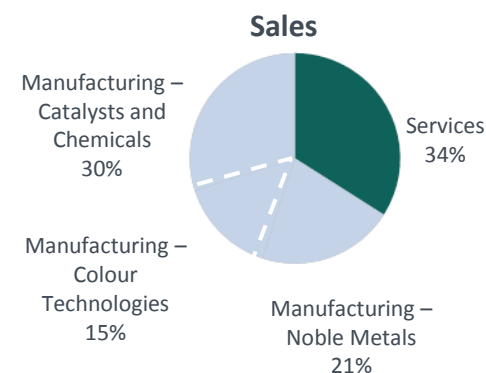
£m	Year to 31 st March		% change	% at constant rates
	2012	2011		
Revenue	9,841	8,270	+19	+20
Sales (excluding precious metals)	582	541	+8	+8
Underlying operating profit	200.8	172.9	+16	+16
Return on sales	34.5%	31.9%		
Return on invested capital (ROIC)	58.9%	55.9%		

Services

- Strong performance, particularly in 1H, supported by higher precious metal prices and refining demand
- Sales up 10% to £199m

Manufacturing

- Another good year with growth in all businesses and sales up 6% to £383m

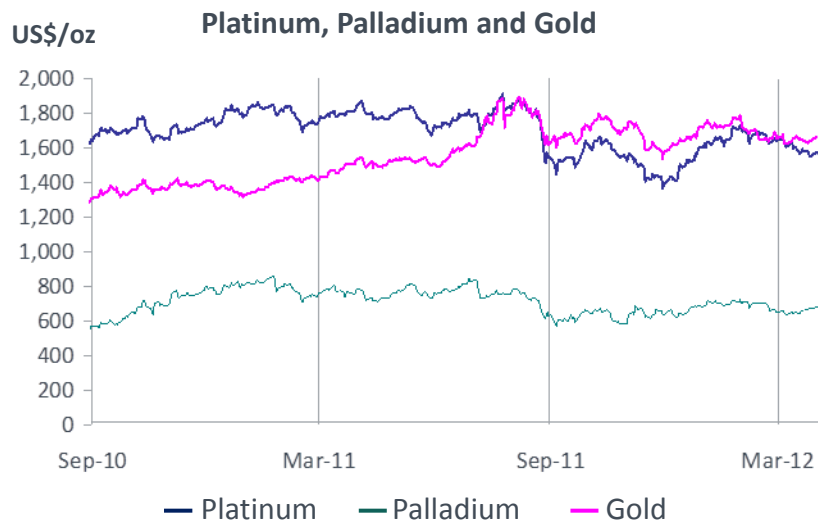


Precious Metal Products Division

Services Businesses

Platinum Marketing and Distribution Business

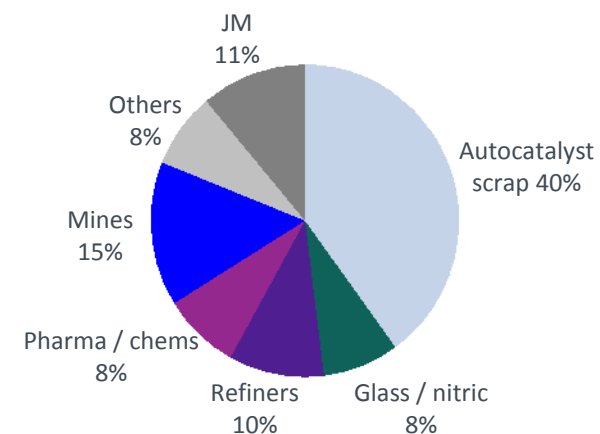
- Average prices
 - Pt \$1,670/oz unchanged
 - Pd \$710/oz up 15%
 - Au \$1,661/oz up 28%



Refining Businesses

- Strong performance continued in 2011/12
- Intakes boosted by growth in end of life autocatalyst scrap
- Continued focus on operational improvements

Pgm Refining Throughput by Market Sector

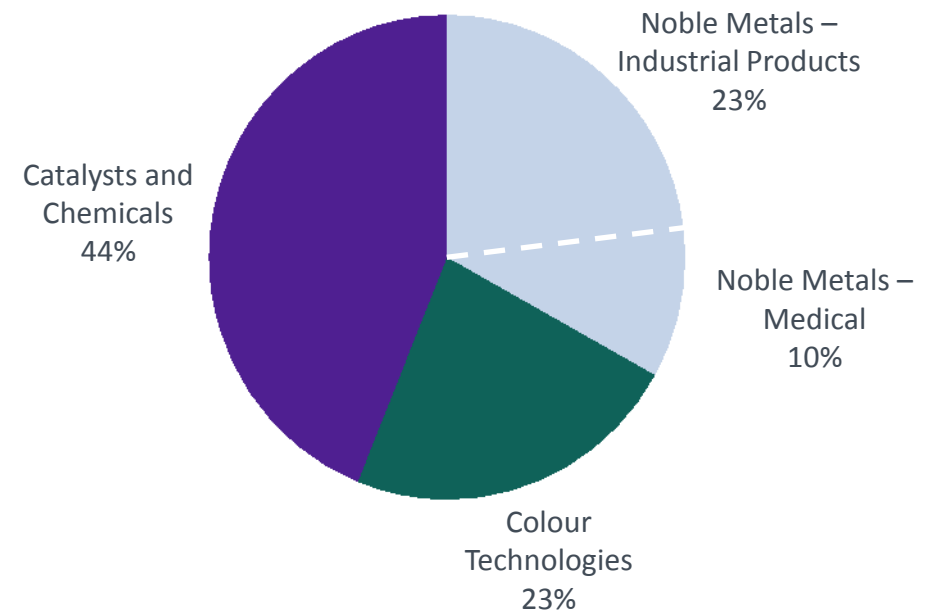


Precious Metal Products Division

Manufacturing Businesses

- Sales up 6% to £383m
- Noble Metals (up 4% to £125m)
 - Trend towards higher added value products
 - Medical sales up 6% driven by good demand from cardiovascular markets
- Colour Technologies (up 6% to £87m)
 - Good growth for functional coatings
 - Decorative demand impacted by high metal prices
- Catalysts and Chemicals (up 8% to £171m)
 - Catalyst demand supported by new product launches

Sales



Precious Metal Products Division

Looking Ahead



- Significant fall in precious metal prices since start of 2012/13, if continued, will impact Services businesses
- Pgm refining intakes also expected to reduce



- Manufacturing businesses expected to make good progress
- Continued investment in R&D across the division



Fine Chemicals Division

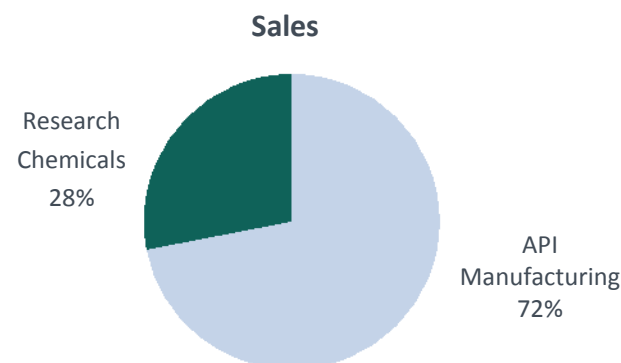


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Fine Chemicals Division

£m	Year to 31 st March		%	% at
	2012	2011	change	constant rates
Revenue	292	255	+15	+16
Sales (excluding precious metals)	285	245	+16	+17
Underlying operating profit	69.7	56.2	+24	+26
Return on sales	24.5%	22.9%		
Return on invested capital (ROIC)	16.7%	13.7%		

- Very good year, exceeding our expectations
- Particularly strong performance by North American API Manufacturing business
- Research Chemicals delivered good growth across all regions



Fine Chemicals

Business Performance



API Manufacturing Businesses

- Sales up 18% to £206m driven by strong demand for bulk and specialist opiates
- Results benefited from
 - Ongoing rationalisation of North American API production
 - Strong sales of generic ADDERALL XR®
 - Revenue from an oxymorphone patent

Research Chemicals

- Sales up 10% to £79m, benefiting from increased market share and new product introductions
- 4,500 new products added

Fine Chemicals

Looking Ahead

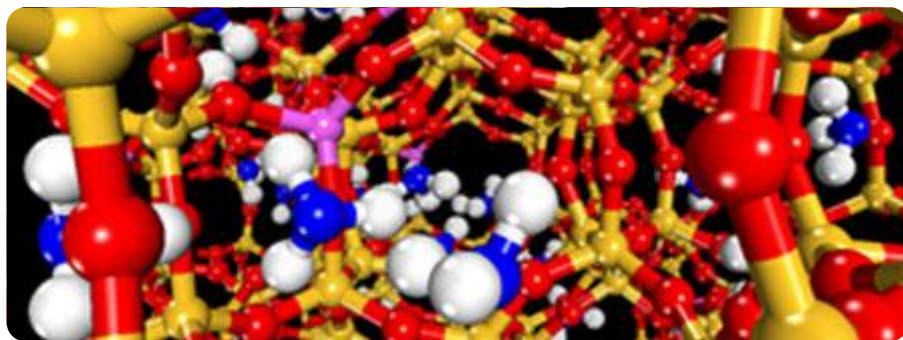


- Further optimisation of North American and then global API production should benefit future results
- Steady flow of new products expected



- Further geographic expansion by Research Chemicals
- Synergies in synthetic chemistry and manufacturing support future growth

Research and Development



- Group R&D investment increased by 17% to £129m
 - Further increase to circa £140m planned in 2012/13
 - Majority in Environmental Technologies
 - Continued focus on sustainable technologies
- New Business Development group established
 - Identification of potential market opportunities progressing well
 - Working closely with R&D to expedite new developments
 - Investment in 2012/13 will increase to circa £6m

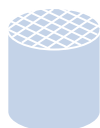
Non-Financial Performance

Year to 31 st March	2012	2011	% change
Energy use (GJ '000)	4,726	4,749	-
Global warming potential ('000 tonnes CO ₂ equivalent)	417	415	-
Annual rate of >3 day accidents per 1,000 employees	2.07	2.99*	-31
Annual Incidence of occupational illness per 1,000 employees	3.5	3.5	-
Voluntary employee turnover (%)	6.4	5.6	+1

* restated

- Sustainability initiatives realising major benefits
- Investment in the safety, wellbeing and development of our people remains a priority
 - Excellent progress on reducing accident rates
 - Occupational illness incidence unchanged, remains ahead of target
- Since launch of Sustainability 2017 in 2007, sales up 84% and underlying EPS up 87%
- However, resource use and emissions growing at much lower rate
 - Energy use up 21%
 - GWP up 6%
 - Water use up 15%

Outlook (1)



Environmental Technologies:

- Outlook for division is positive
- Development of HDD market and growth in car production in North America and Asia expected
- Outlook for Europe is uncertain
- Strong demand for additives and DPT's licences will support growth in Process Technologies



Precious Metal Products:

- Lower current precious metal prices, if maintained, will significantly impact Services businesses
- Manufacturing businesses expected to make further progress

Outlook (2)



Fine Chemicals:

- Drivers remain in place
- Continued demand should ensure another strong year



Group:

- Further progress expected in Environmental Technologies and Fine Chemicals in 2012/13
- Will be offset by Precious Metal Products if precious metal prices remain at current levels
- Strong positions in markets with structural growth drivers give confidence in group's continuing growth potential

Key Messages

Another year of strong growth

Further progress anticipated in 2012/13

Return of capital of 100 pence per share

Confident of group's continuing growth potential

Questions and Answers

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Chief Executive

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Geoff Otterman
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Process Technologies

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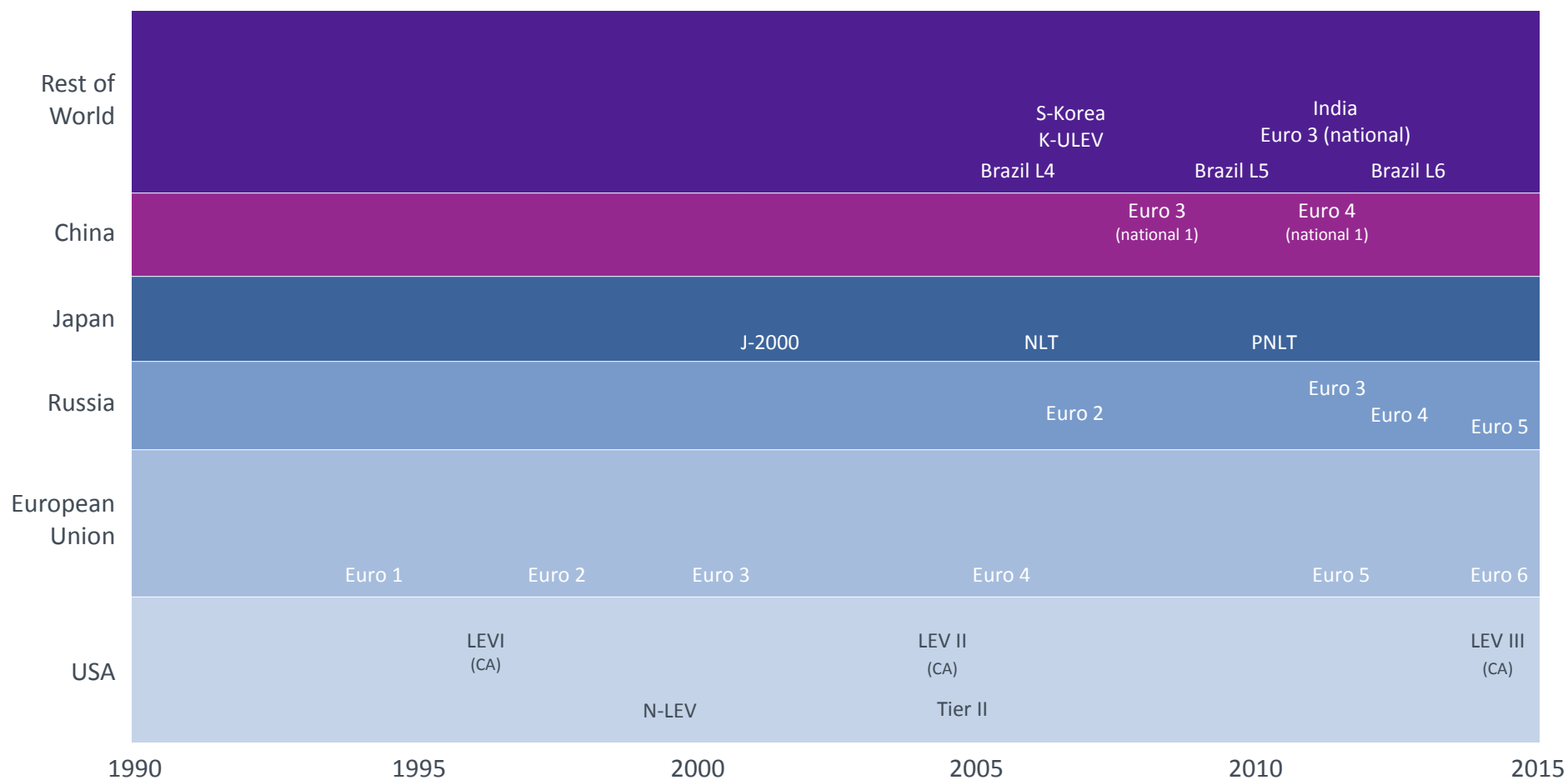
Neil Whitley
Division Director, Catalysts,
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Emission Control Technologies

Light Duty Vehicle Legislation



Emission Control Technologies

Heavy Duty Diesel Legislation

