



News release

For release at 7.00 am on Wednesday 30th January 2013

Johnson Matthey Plc – Q3 Interim Management Statement

Johnson Matthey today provides its third quarter Interim Management Statement covering the period from 1st October 2012 to 29th January 2013. Unless otherwise stated, figures quoted in this statement are for the quarter ended 31st December 2012.

Current Trading

In a difficult market environment during the quarter, trading across the group was challenging. As a result, sales excluding precious metals (sales) were down 2% compared with the same period last year at £635 million. As expected, underlying profit before tax fell by 19% to £84.3 million, primarily due to a change in the mix of sales in our Environmental Technologies Division and lower volumes in Precious Metal Products Division.

The group's financial position remains strong. In the quarter, net debt increased by £44 million to £739 million, principally due to the acquisition of Axion during the period.

Divisional Commentary

Sales in **Environmental Technologies Division** in the quarter were slightly lower than last year at £456 million (2011/12 £461 million). However, operating profit was adversely impacted by a change in business mix. Emission Control Technologies' sales fell by 6% to £346 million, with lower sales across all regions. Our unit sales of light duty vehicle catalysts were broadly in line with the slight increase in global light duty vehicle production. However, our light duty vehicle catalyst sales were 10% lower, at £227 million, due to a reduction in demand for high value diesel products in Europe and reduced sales in Japan, which last year benefited from the strong recovery following the earthquake and tsunami. Return on sales was similar to that in the first half of the year. Sales of heavy duty diesel catalysts were in line with last year, at £108 million, with modest growth in North America offset by some weakness in Europe.

Sales in Process Technologies were up 5% at £95 million with the majority of its markets performing in line with our expectations. Davy Process Technology (DPT) signed two new licence contracts in the period and it continues to perform well. Our ammonia catalyst and gas processing businesses are also performing well, but the market for hydrogen catalysts, despite good long term fundamentals, remains weak at present.

Precious Metal Products Division's sales in the quarter fell by £10 million (7%) to £128 million and, given the fixed cost nature of the Services businesses, operating profit fell by a similar amount. The decrease in both sales and operating profit derived from the division's Services businesses, where lower volumes, particularly from Anglo Platinum, more than offset the benefit of slightly higher average platinum group metal (pgm) prices. Refining volumes, which were low in the first half of the year, have recovered slightly during this quarter; this will benefit the business in the fourth quarter and into the new financial year. The division's Manufacturing businesses made further progress across much of its product range.

Fine Chemicals Division made steady progress with sales up 2% to £63 million. Operating profit increased slightly compared with the same period last year but was lower than in the second quarter of this year. Consequently, operating margins returned to more normal levels as changes to the competitive landscape in the UK, which we outlined in the half yearly report, impacted the business.

Outlook

The group's steady underlying performance is expected to continue for the rest of the financial year and, in line with the guidance in our half year report, we continue to anticipate that the group's performance in the second half will be similar to that for the first six months of the year.

The outlook for our Environmental Technologies Division is stable, with performance anticipated to be slightly ahead of the first half. The relatively weak performance in Europe and Japan is expected to continue into the new calendar year but should be mitigated by slightly more promising prospects in North America. We expect that the performance of our Process Technologies business in the fourth quarter will be strong.

Demand for Precious Metal Products Division's manufactured products is expected to be maintained at around current levels but the prospect of a substantial recovery in its Services businesses remains limited. The impact of the recent announcement by Anglo Platinum regarding the review of its platinum group metals business has, at least for the short term,

boosted prices, but their planned reduction in mining volumes will impact our business. The results for this division in the second half of the year are therefore expected to be slightly ahead of the first half but substantially lower than the second half of last year.

The underlying performance of our Fine Chemicals Division in the second half of the year is expected to be slightly behind that in the first half. A review is underway to look at ways in which we can optimise resources across our Active Pharmaceutical Ingredient (API) Manufacturing businesses.

Notes:

1 Conference Call for Analysts and Investors

Robert MacLeod, Group Finance Director, will host a conference call at 9.00 am today, Wednesday 30th January 2013, to discuss this Interim Management Statement.

The dial-in number for UK callers is 0800 783 0906; for overseas callers the number is +44 1296 480 100; and the passcode is 907412#. Please dial in approximately 15 minutes prior to the start of the conference call to allow time for registration.

2 Investor Event

Johnson Matthey is holding an investor event in Royston, UK on Thursday 31st January at which it will present an overview of the activities of its Emission Control Technologies Business and progress of its New Business Development group. No material new information will be disclosed in the presentations which will be webcast. The slides from the presentations will be available on the company website (www.matthey.com) from 11.00 am and the webcast will be available during the morning of Friday 1st February.

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