Presentation of Results for the half year ended 30th September 2012

21st November 2012

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Introduction

Neil Carson

Chief Executive

Key Messages

EPS maintained in difficult market environment

Good performance from Environmental Technologies and Fine Chemicals

Results impacted by lower precious metal prices

Similar performance expected in second half

Financial Review

Robert MacLeod

Group Finance Director

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Underlying Results

Half year to 30th September	1H 2012 £m	1H 2011 £m	% change	Change const. curr.
Revenue	4,892	5,900	-17%	-17%
Sales excluding precious metals	1,310	1,293	+1%	+2%
Operating profit	202.8	214.7	-6%	-5%
Interest	(11.6)	(11.7)		
Profit before tax	191.2	203.0	-6%	
Tax	(40.2)	(48.7)		
Profit after tax	151.0	154.3	-2%	
Earnings per share	72.9p	72.8p	-	
Dividend per share	15.5p	15.0p	+3%	

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

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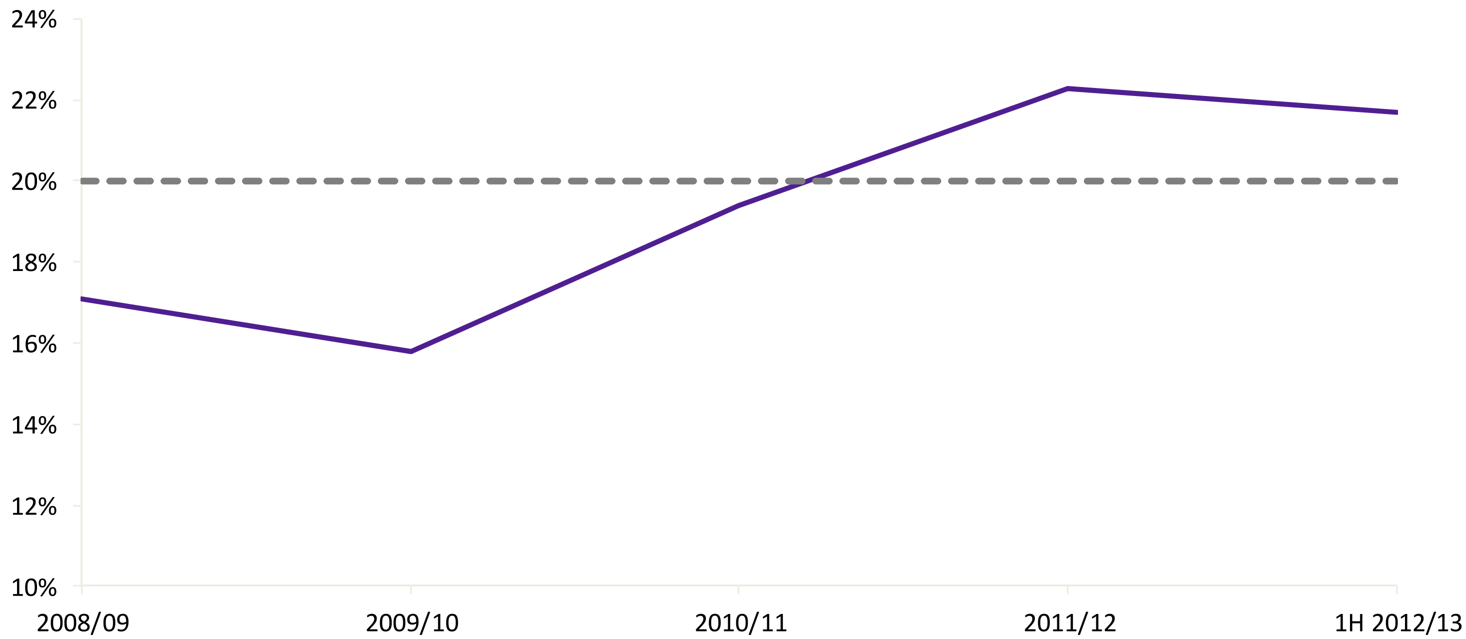
Cash Flow from Operations

Half year to 30th September	1H 2012 £m	1H 2011 £m
Underlying operating profit	202.8	214.7
Depreciation and amortisation	69.8	73.6
Tax paid	(41.5)	(42.5)
Working capital / other	(87.8)	(73.7)
Cash flow from operations	**143.3**	**172.1**

- At 30th September 2012, working capital days (excl. pms) were 65 (30th September 2011 69)
- During 1H 2012/13, working capital increased by:
  - Excl. pms £22.8m
  - Pms £35.2m
- Net debt at 30th September 2012 – £695.1m, up £240.9m since year end
  - Special dividend of £212m paid
  - Net debt (incl. post tax pension deficits) / EBITDA of 1.4

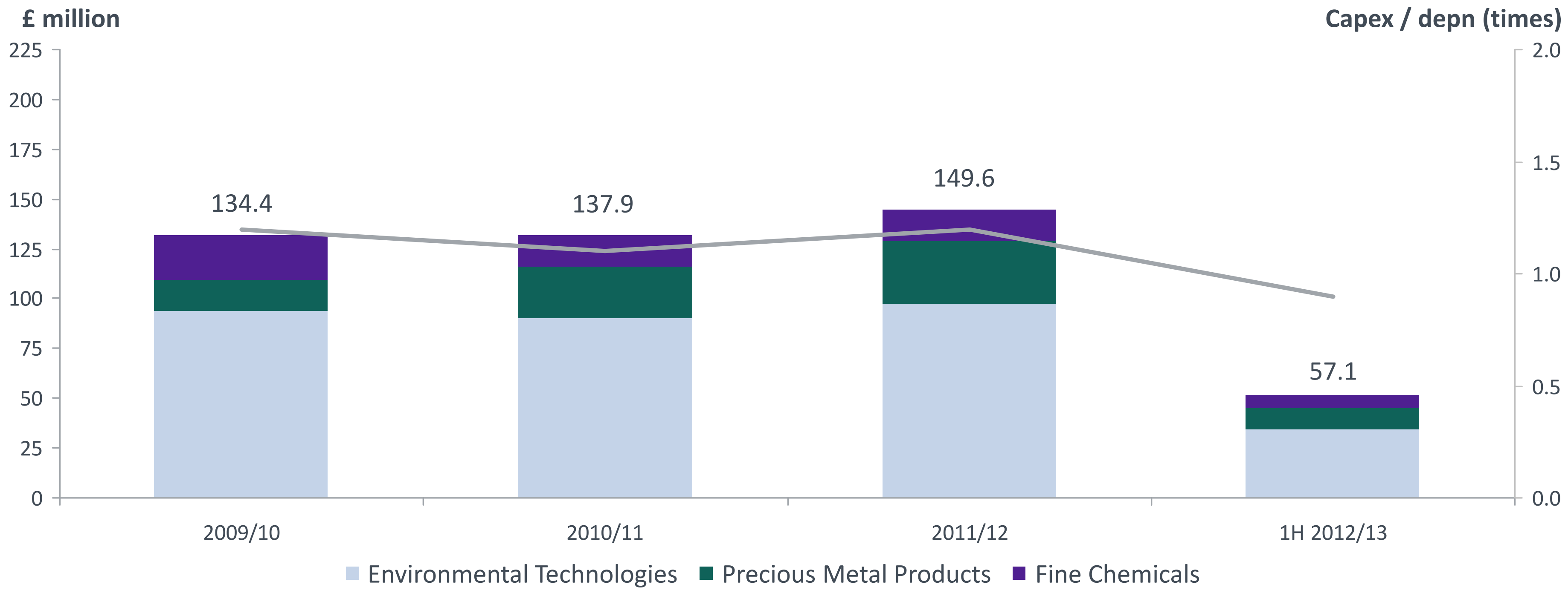
Return on Invested Capital (ROIC)



- Substantial drop in precious metal prices impacted group's ROIC

- Increased ROIC in Environmental Technologies and Fine Chemicals

Capital Expenditure



- Key projects in first half:
  - Extension of Macedonia facility
  - Expansion of UK diesel filter capacity

- Expect 2012/13 capex of circa £200m

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Pensions

UK actuarial valuation as at 1st April 2012 completed

- Deficit estimated at £217m (2009 £173m)
- UK scheme closed to new entrants from 1st October 2012
- New cash balance scheme introduced

UK cash contributions

- £50m one-off contribution in second half into SPV for benefit of pension scheme
- Ongoing deficit contributions of £23.1m p.a. until 2019/20
- Employee contributions from 1st April 2013

IFRS

- Deficit at 30th September 2012 of £83m
- UK reduction balanced by higher US deficit
- Results impacted by higher non-cash pension charge (£19m vs £14m in 1H 2011/12)
- 2013/14 results will be impacted by accounting standard change. Estimated to be £6m p.a.

Operating Review

Neil Carson

Chief Executive

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Environmental Technologies Division

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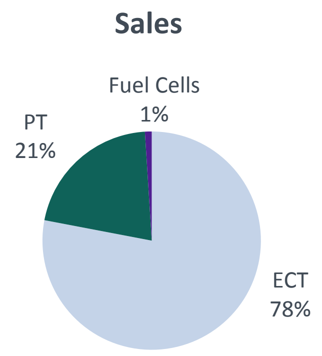
Environmental Technologies Division

	Half year to 30th September			
£m	1H 2012	1H 2011	% change	% at constant rates
Sales (excluding precious metals)	918	888	+3	+4
Underlying operating profit	106.6	90.9	+17	+20
Return on sales	11.6%	10.2%		
Return on invested capital (ROIC)	15.5%	12.6%		

- Continued growth in ECT
  - Light duty sales ahead in US and Asia
  - HDD catalyst demand strong
- Some growth in Process Technologies
- Net expense of Fuel Cells increased slightly
- Acquisition of Axeon



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Estimated Light Duty Vehicle Sales and Production

		1H 2012/13 millions	1H 2011/12 millions	change %	1H 2012/13 millions	2H 2011/12 millions	change %
North America	Sales	8.7	7.8	+11.5	8.7	7.8	+11.5
	Production	7.4	6.3	+17.5	7.4	7.3	+1.4
Europe	Sales	9.2	9.7	-5.2	9.2	9.4	-2.1
	Production	8.9	9.9	-10.1	8.9	10.0	-11.0
Asia	Sales	16.4	14.4	+13.9	16.4	16.6	-1.2
	Production	19.7	17.6	+11.9	19.7	20.1	-2.0
Global	Sales	39.8	37.2	+7.0	39.8	39.7	+0.3
	Production	39.3	37.2	+5.6	39.3	40.5	-3.0

Source: IHS Automotive

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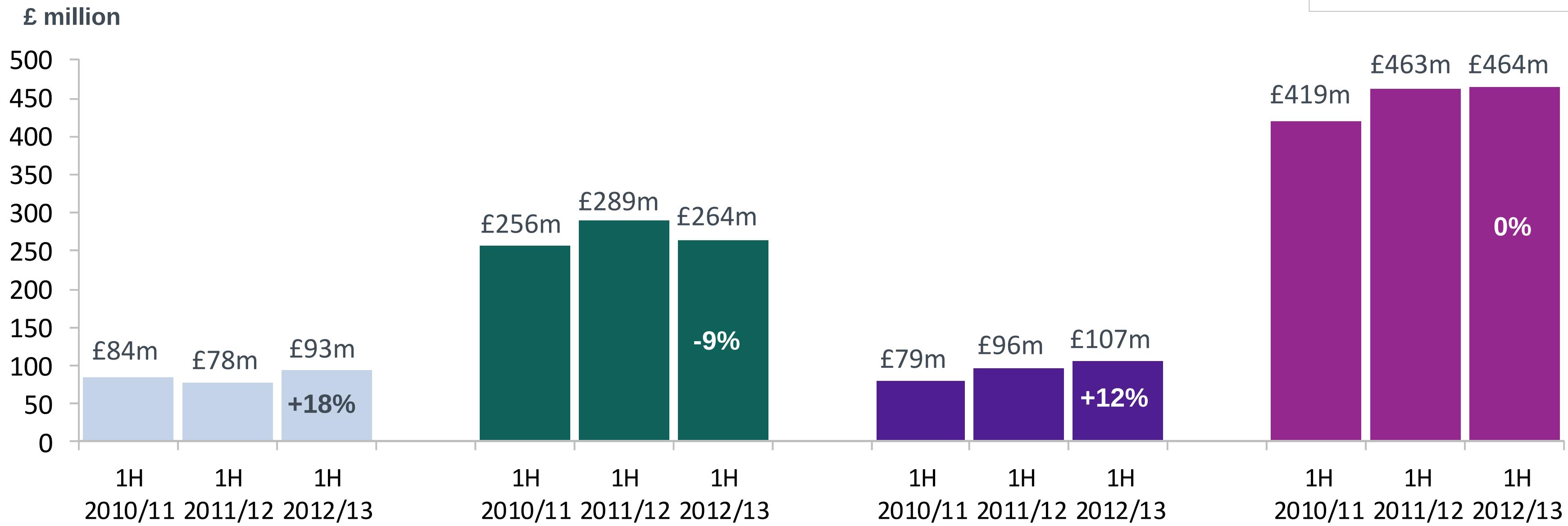
Johnson Matthey's Light Duty Catalyst Sales

Total sales 1H 2012/13 up £1m at **£464m**



North America

- JM sales grew in line with market

Europe

- JM sales down but outperformed market
- Diesel share of vehicle market down 1%

Asia

- Our sales well ahead, especially in China and South East Asia

Global

- Operating profit benefited from removal of last year's headwind from higher rare earth prices

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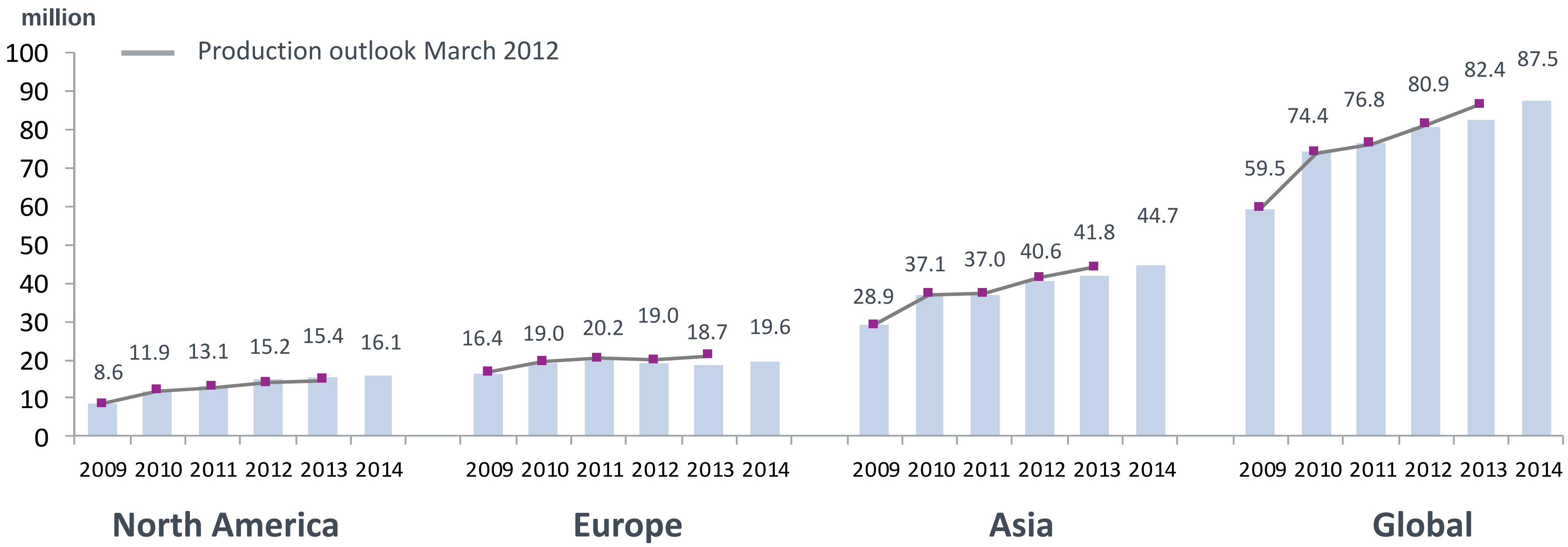
Light Duty Vehicle Production Outlook – 2009-2014 (calendar years)



- Latest forecasts for 2H 2012 and beyond slightly lower for Europe and Asia
- Forecasts for North America remain stable
- Euro 6 for new model diesel cars from September 2014 and for all production from September 2015

Source: IHS Automotive (October 2012)

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Estimated HDD Truck Sales and Production

		1H 2012/13 thousands	1H 2011/12 thousands	change %	1H 2012/13 thousands	2H 2011/12 thousands	change %
North America	Sales	221.4	192.3	+15.1	221.4	212.5	+4.2
	Production	236.3	215.6	+9.6	236.3	241.1	-2.0
EU	Sales	137.2	150.2	-8.7	137.2	147.4	-6.9
	Production	184.5	205.9	-10.4	184.5	217.1	-15.0

Source: LMC Automotive

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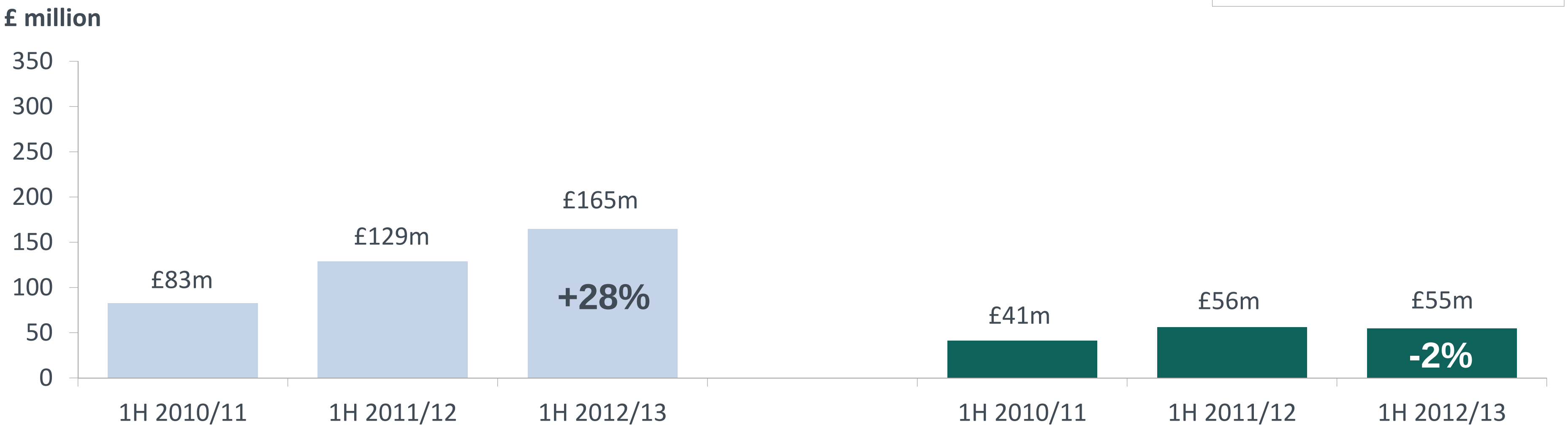
Johnson Matthey's Heavy Duty Diesel Catalyst Sales

Total sales 1H 2012/13

£234m up 19%



North America

- Strong sales in first half, up 28%, well ahead of truck production
- Good demand from non-road applications – accounted for 10% of regional sales

Europe

- Sales down 2% despite 10% fall in truck production and negative exchange effect of euro
- Results benefited from sales to Brazil and to non-road market

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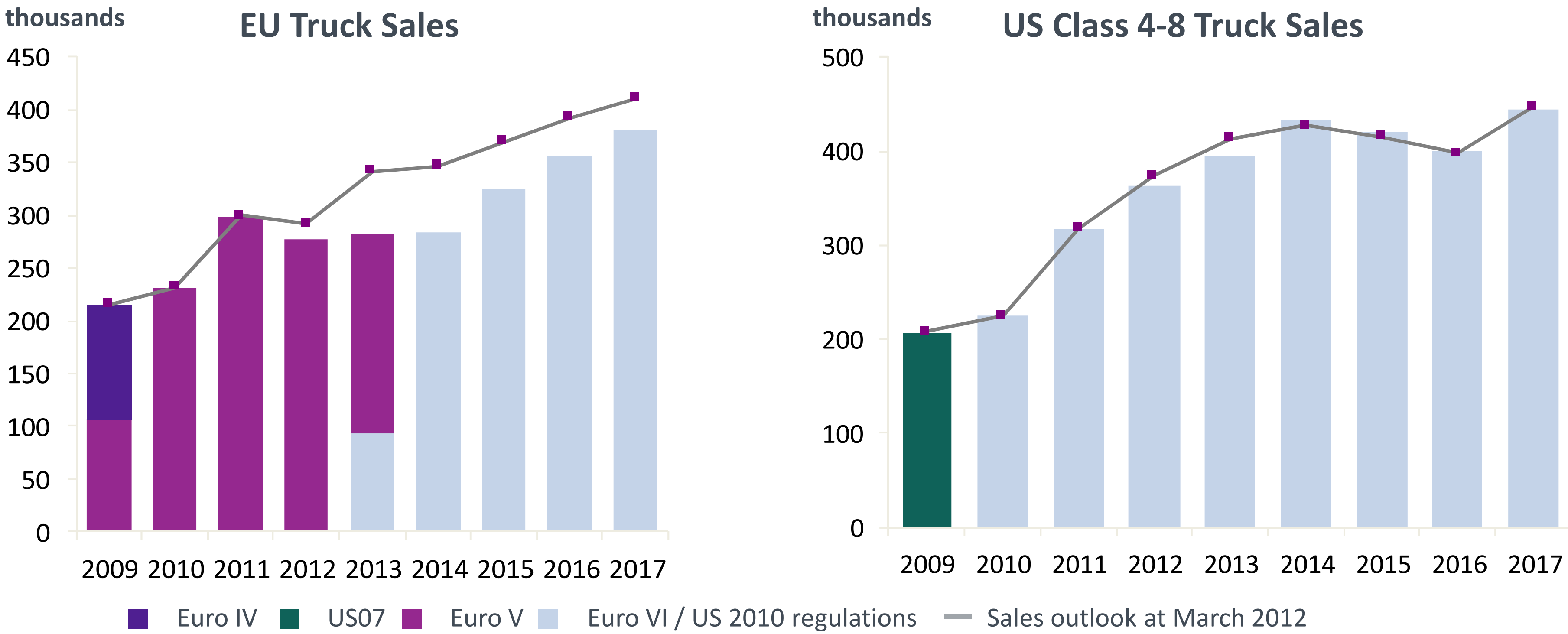
Heavy Duty Diesel Vehicle Sales Outlook (calendar years)



- Significant downward revision to latest forecasts for 2012 and beyond in Europe
- Euro VI for new models from January 2013 and for all production from January 2014
- Forecasts for North America slightly down for 2012 and 2013 but maintained for subsequent years

Source: LMC Automotive (October 2012)

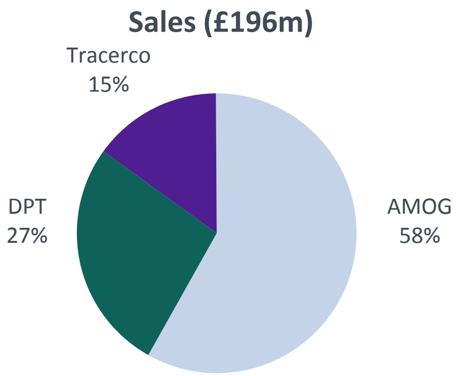
Process Technologies

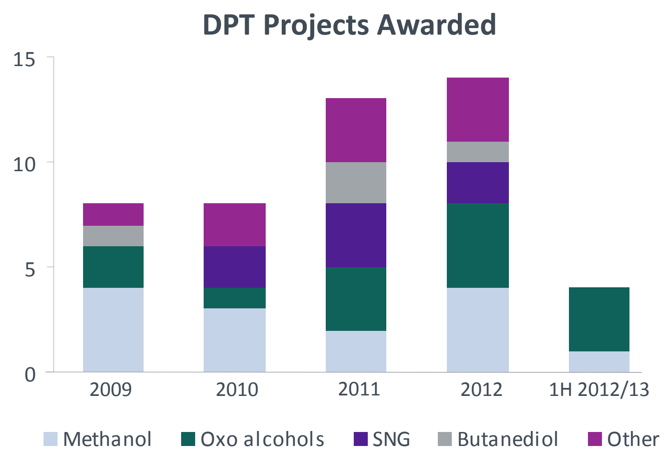
Catalyst Businesses (AMOG)

- Sales down 5% at £114m
- Good demand for ammonia catalysts, purification products and additives
- Slower sales of hydrogen and methanol catalysts

Davy Process Technology

- Predicted slowdown in new plant licences
- Four new projects won in first half
- Sales flat at £52m
- Successful start up of major SNG plant in China with another to follow later this year





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Process Technologies

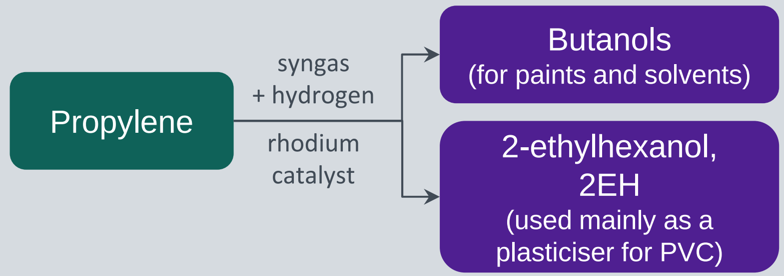
Oxo Alcohols Technology Licensing

Market leading technology from 40+ year DPT / Dow collaboration

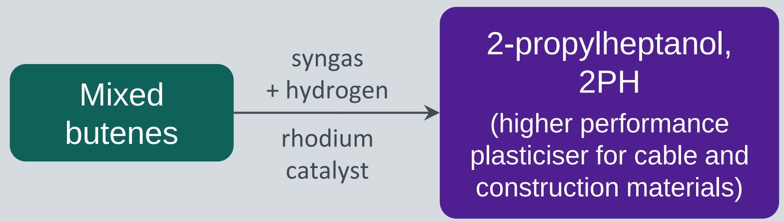
- 50th licence signed in first half
- 12 licences in last five years, three in 1H 2012/13
- Chinese market growth (>10% p.a. over last decade) boosted by feedstock availability:
  - Propylene from new oil refinery capacity
  - Butene from coal to chemicals projects
- Demand for oxo alcohols driven by construction materials and consumer goods
- Trend towards larger plants in China

Two routes to oxo alcohols

Traditional route from propylene



New DPT / Dow route from mixed butenes



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Process Technologies

Oxo Alcohols Technology Licensing

Why DPT / Dow?

- Technology constantly improved
  - Higher selectivity and yield, lower capital investment and operating cost etc.
- Strong customer relationships and good technology
  - Customers come back to us for their new projects
- Unique technology position with recently introduced 2PH route

Outlook for Oxo Alcohols

- Global demand growing at circa 3% p.a., faster in China
- New projects from 1H to make sales contribution from 2H onwards, typically over 2 to 3 years
- Several other projects in China at advanced stages of negotiation
- Continued growth in projects in China expected over next 2 to 3 years

Environmental Technologies

Looking Ahead

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- Light duty catalysts
  - Outlook in Europe has weakened
  - Prospects for further growth in Asia remain
- HDD catalysts
  - Limited visibility in key US market
- Expansion of production capacity in Macedonia and UK to meet tighter European legislation

Process Technologies

- Sales of hydrogen catalysts expected to remain weak
- Expect this to be offset by growth in other catalysts and DPT
- Expanding manufacturing capacity
  - Catalysts in India and UK
  - Additives in US

Precious Metal Products Division

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Precious Metal Products Division

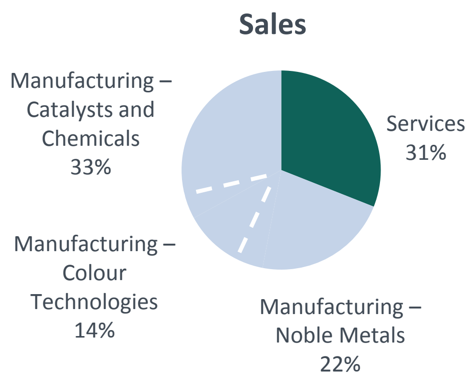
£m	Half year to 30th September 1H 2012	1H 2011	% change	% at constant rates
Sales (excluding precious metals)	282	298	-5	-4
Underlying operating profit	71.8	107.1	-33	-32
Return on sales	25.5%	35.9%		
Return on invested capital (ROIC)	42.2%	59.2%		

Services

- Lower average precious metal prices and reduced volumes resulted in significant decrease in OP

Manufacturing

- Sales slightly down – weakness in Noble Metals and Colour Technologies partly offset by growth in Catalysts and Chemicals



Precious Metal Products Division

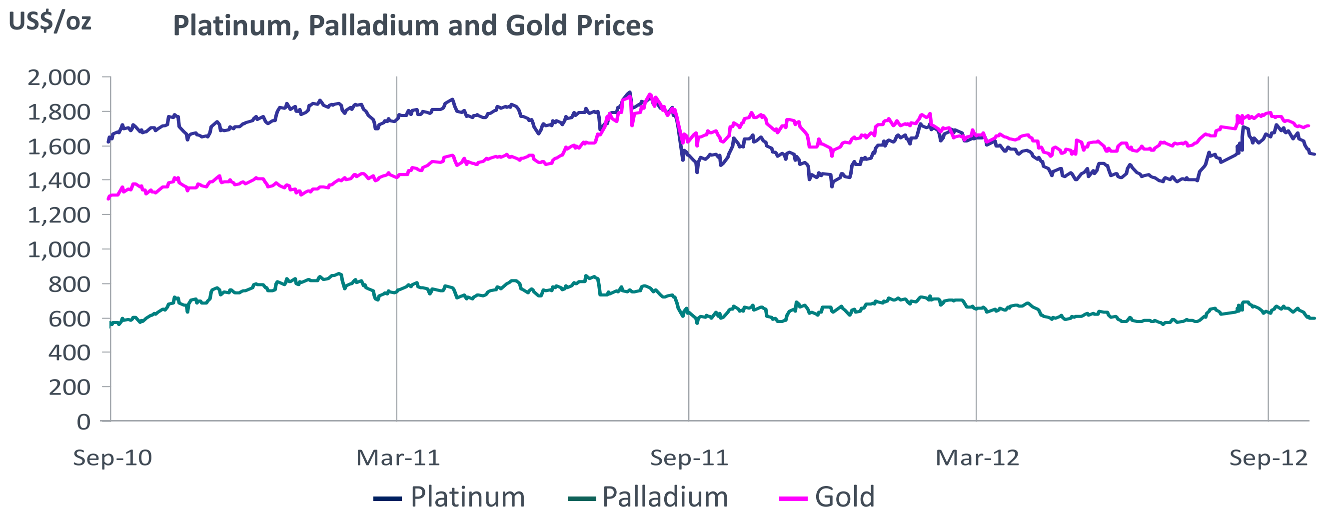
Services Businesses

Platinum Marketing and Distribution Business

- Average prices impact demand
  - Pt $1,500/oz down 16%
  - Pd $622/oz down 18%
  - Au $1,630/oz up 1%
- Lower volumes

Refining Businesses

- Poor performance in first half
- Lower intakes resulting from weak average precious metal prices
- Operational issues at Salt Lake City refinery

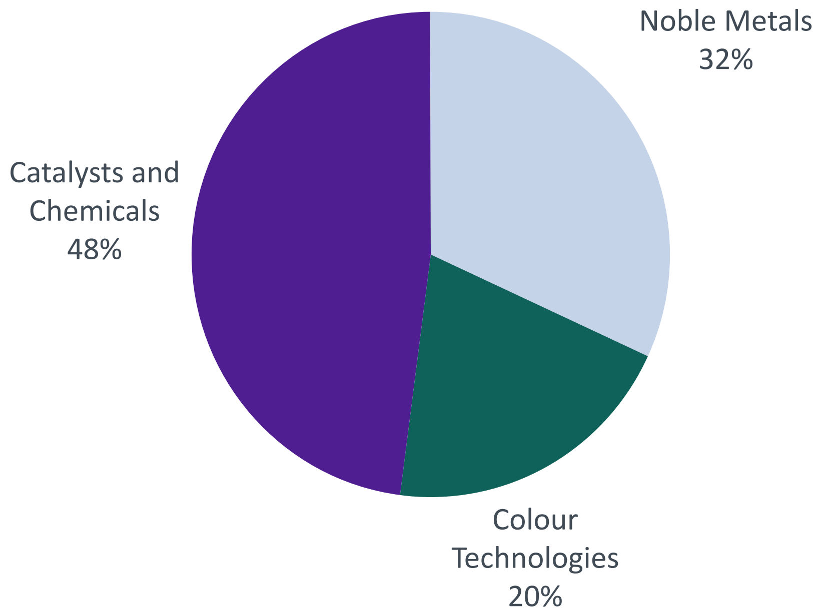


Precious Metal Products Division

Manufacturing Businesses

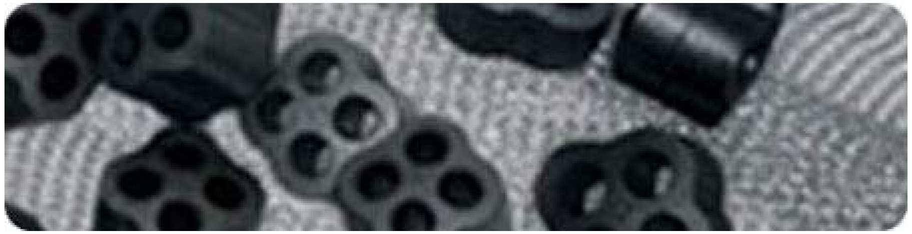
- Sales down 2% to £195m
- Noble Metals (down 4% to £62m)
    - Demand for industrial products impacted by slowdown in Europe
    - Medical device components business grew slightly
- Colour Technologies (down 8% to £40m)
    - Automotive obscuration enamels affected by slowdown in Southern European car manufacturing
    - Increased sales of silver pastes
- Catalysts and Chemicals (up 3% to £93m)
    - Good sales growth in catalysts, particularly to chemical manufacturing sector
    - Pgm chemicals also up with demand from autocatalyst producers

Sales (£195m)



Precious Metal Products Division

Looking Ahead



Services

- Short term outlook for precious metal prices remains uncertain
- Short term volumes from South Africa difficult to assess
- Despite improvement in prices from lows in the summer, yet to see a substantial improvement in refining volumes

Manufacturing

- Trading in line with last year

Fine Chemicals Division

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Fine Chemicals Division

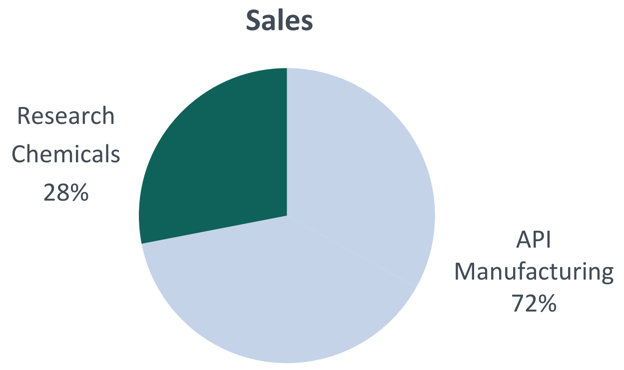
£m	Half year to 30th September 1H 2012	1H 2011	% change	% at constant rates
Sales (excluding precious metals)	138	142	-2	-3
Underlying operating profit	37.2	32.5	+14	+14
Return on sales	26.9%	23.0%		
Return on invested capital (ROIC)	17.4%	14.6%		

API Manufacturing

- Sales down but mix change benefited OP

Research Chemicals

- Sales in line with first half of last year



Fine Chemicals

Business Performance and Looking Ahead

API Manufacturing

Business Performance

- Sales down 3% to £99m
- OP boosted by replacement of lower margin legacy business by speciality products
- Macfarlan Smith impacted by changes in competitive landscape in UK

Research Chemicals

Business Performance

- Sales broadly flat at £39m
- OP ahead with improved product mix

Fine Chemicals – Looking Ahead

- Business relatively stable – expect return to sales growth in second half
- Further rationalisation of API manufacturing required

New Business Development

Acquisition of Axeon

About Axeon

- Specialist in design, development and manufacture of integrated battery modules
- Serves automotive and other high performance applications (e.g. e-bikes, power tools)
- Sales of £47m in year to 31st December 2011
  - Small operating loss due to investment in development costs for automotive applications

First Step for New Business Development

- Growing trend towards electrification of automotive drivetrains
- Axeon's applications engineering skills complement JM's materials science and R&D expertise
- Base for further expansion in battery materials and technology for automotive applications

Outlook (1)

Environmental Technologies:

- Outlook for light duty catalysts in Europe has weakened but growth prospects in Asia remain
- Limited visibility in US HDD market
- For Process Technologies, continued weakness in hydrogen catalysts will be offset by growth elsewhere

Precious Metal Products:

- Slight increase in precious metal prices although yet to see substantial improvement in volumes in Services businesses
- Manufacturing businesses expected to trade in line with last year

Outlook (2)

Fine Chemicals:

- Business remains relatively stable
- Expect sales growth to return in second half

Group:

- Whilst precious metal prices have improved from their lows during the summer, outlook in some other markets has weakened
- Expect performance in second half to be similar to that of the first half

Key Messages

EPS maintained in difficult market environment

Good performance from Environmental Technologies and Fine Chemicals

Results impacted by lower precious metal prices

Similar performance expected in second half

Questions and Answers

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Key Messages

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Similar performance expected in second half


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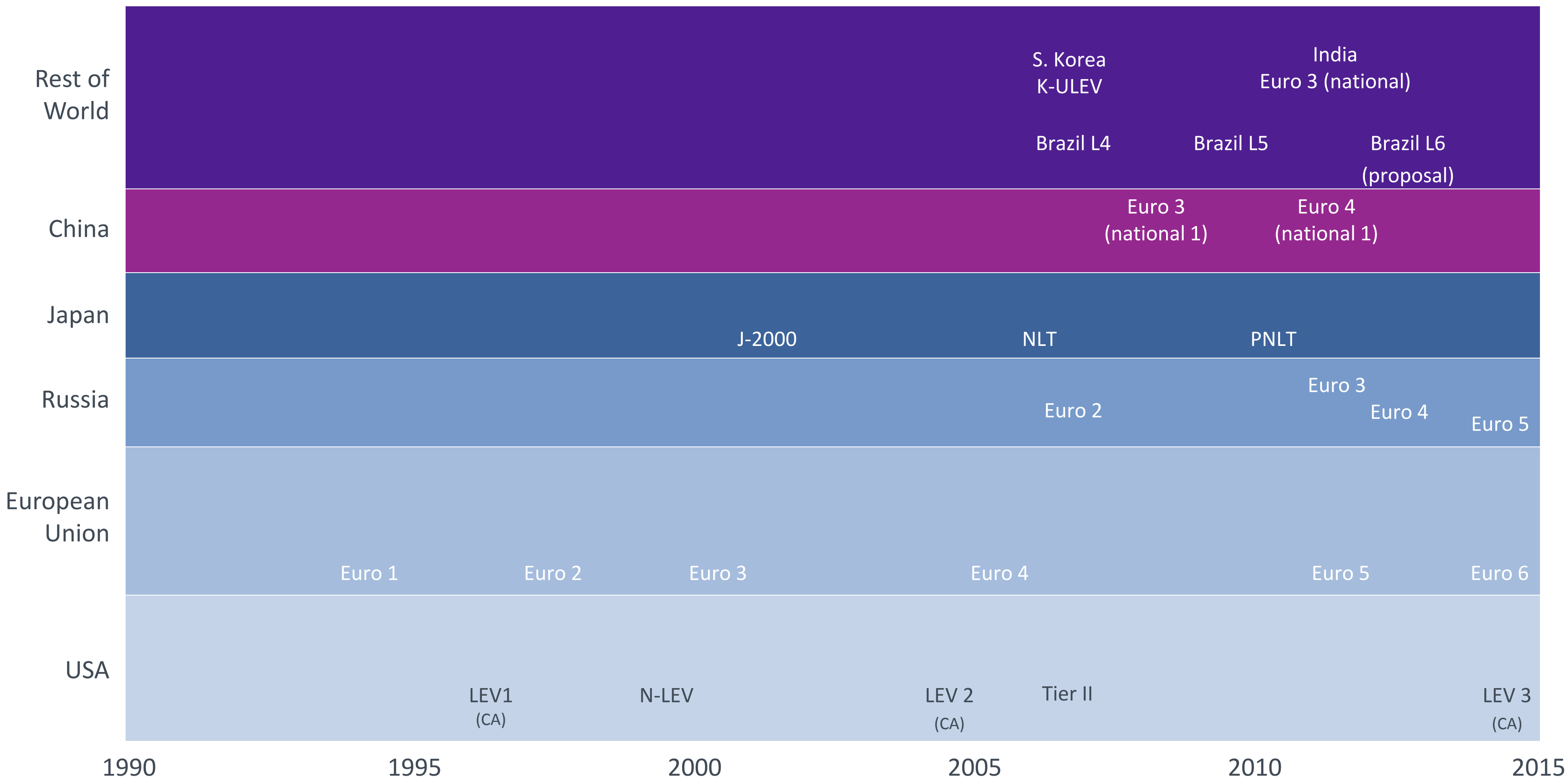
Light Duty Vehicle Legislation



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Emission Control Technologies

Heavy Duty Diesel Legislation