

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about its contents, or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000.

If you have sold or transferred all your shares in Johnson Matthey Public Limited Company, you should pass this document and the accompanying documents to the purchaser or transferee or to the person through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.



Johnson Matthey

40-42 Hatton Garden, London EC1N 8EE
Telephone 020 7269 8400 Fax 020 7269 8433

13 June 2006

Dear Shareholder

2006 Annual General Meeting

The 2006 annual general meeting of the Company (AGM) is to be held at The Institution of Electrical Engineers (Lecture Theatre), Savoy Place, London WC2R 0BL on Tuesday 25 July 2006 at 12.00 noon. The formal Notice convening the meeting is set out on pages 5 to 8 of this document.

This circular provides you with an explanation of the resolutions and of the action you should take.

Resolution 1 – Report and accounts

Resolution 1 is an ordinary resolution under which the Company's annual accounts for the financial year ended 31 March 2006 together with the directors' report and the auditors' report are received. Shareholders will have received a copy of the report and accounts with this circular. Further copies will be available at the AGM.

Resolution 2 – Directors' remuneration report

Resolution 2 is an ordinary resolution to receive and approve the directors' remuneration report for the year ended 31 March 2006.

This resolution is in compliance with The Directors' Remuneration Report Regulations 2002 which require quoted companies to put their directors' remuneration report to a vote at their annual general meeting. The directors' remuneration report, which summarises the Company's policy on directors' remuneration, is shown on pages 46 to 51 of the 2006 Annual Report.

Resolution 3 – Dividend declaration

Resolution 3 is an ordinary resolution by which shareholders are asked to declare a dividend. The directors recommend a final dividend of 21.0 pence per ordinary share in respect of the year ended 31 March 2006, payable to shareholders on the register at the close of business on 9 June 2006.

Resolutions 4 to 7 – Election and re-election of directors

Resolution 4 is an ordinary resolution which deals with the election of Sir John Banham, who was appointed to the board in January 2006. Resolutions 5 to 7 are ordinary resolutions which deal with the re-election of Mr NAP Carson, Dr PN Hawker and Mr LC Pentz who, retiring by rotation, offer themselves for re-election.

Biographical details of all the directors are set out on pages 38 and 39 of the 2006 Annual Report. Biographical details of the directors standing for election and for re-election are as follows:

Sir John Banham (Age 65) – Chairman

Sir John Banham joined the board as Chairman designate with effect from 1 January 2006 and was appointed as Chairman of the board with effect from 1 April 2006 following the retirement of Mr HMP Miles after eight years as the Company's Chairman. Sir John is currently the Chairman of Spacelabs Healthcare Inc. and the Senior Independent Director of Amvescap PLC and Cyclacel Pharmaceuticals Inc. He was previously a director at McKinsey & Company, the first Controller of the Audit Commission and is a former Director General of the Confederation of British Industry. He was previously a director of National Power and National Westminster Bank and Chairman of Tarmac plc, Kingfisher plc, Geest plc, Whitbread PLC and Cyclacel Plc. Sir John is a member of the Nomination Committee.

Mr NAP Carson (Age 49) – Chief Executive

Mr NAP Carson BSc is Chief Executive. He joined Johnson Matthey in 1980 and was appointed Division Director, Catalytic Systems in 1997 after having held senior management positions in the Precious Metals Division as well as Catalytic Systems in both the UK and the US. He was appointed to the board as Managing Director, Catalysts & Chemicals in August 1999 and additionally assumed board level responsibility for Precious Metals Division in August 2002. He was appointed Chief Executive in July 2004. He is currently Chairman of the Business Taskforce on Sustainable Consumption and Production. He was previously a non-executive director of Avon Rubber plc.

Dr PN Hawker (Age 53) – Executive Director

Dr PN Hawker BSc, PhD, FRSC is Executive Director, Process Catalysts and Technologies and Pharmaceutical Materials. He joined Johnson Matthey in 1985 as Research & Development Manager and was subsequently Managing Director, Autocatalysts Europe and Division Director, Environmental Catalysts and Technologies. He was appointed Executive Director, Environmental Catalysts and Technologies in August 2003. He was appointed Executive Director, Process Catalysts and Technologies in July 2004 and assumed responsibility for Pharmaceutical Materials Division in April 2006.

Mr LC Pentz (Age 51) – Executive Director

Mr LC Pentz BS ChE, MBA is Executive Director, Environmental Catalysts and Technologies. He joined Johnson Matthey in 1984 and was appointed Division Director, Process Catalysts and Technologies in 2001 after having held a series of senior management positions within Catalysts Division in the US. He was appointed Executive Director, Process Catalysts and Technologies in August 2003 and to his current position in July 2004.

Resolutions 8 and 9 – Auditors

Resolutions 8 and 9 are ordinary resolutions to reappoint KPMG Audit Plc as auditor of the Company until the conclusion of the next general meeting at which accounts are laid before the Company and to provide that their remuneration be determined by the directors.

Resolution 10 – Political donations

Resolution 10 is an ordinary resolution concerning Part XA of the Companies Act 1985 (as amended) (the “Act”), which was inserted by the Political Parties, Elections and Referendums Act 2000. Any donations to EU political organisations in excess of an aggregate of £5,000 in any twelve month period or any EU political expenditure by the Company and its subsidiaries must be authorised by the Company’s shareholders.

The Company and its subsidiaries did not make any donations to political organisations in the last financial year and do not intend to do so in the current year. However, the very broad definitions of “donations”, “EU political organisations” and “EU political expenditure” under Part XA of the Act mean that what might otherwise be regarded as normal expenditure and activities (such as certain donations to charities or allowing employees leave to attend civic duties) may be construed as being covered by the legislation. To avoid the possibility of inadvertently contravening the Act, the directors consider that it would be prudent, as a precautionary measure, to follow the procedure specified in the Act to obtain shareholders’ approval for the Company to make donations to EU political organisations up to a maximum of £50,000 and to incur EU political expenditure of up to a maximum of £50,000 in the forthcoming year. The resolution does not purport to authorise any particular donation or expenditure but is in general terms as required by the Act.

Resolution 11 – Authority to allot relevant securities

Resolution 11 is an ordinary resolution to renew the authority of the directors to allot securities under section 80 of the Act. At the annual general meeting in July 2005, the directors’ authority to allot securities was extended to the conclusion of the next annual general meeting following that meeting. It is now proposed to extend that authority so that it applies until the conclusion of the next annual general meeting of the Company and so that the maximum aggregate nominal value of securities which may be allotted will be £71,234,562, which is the nominal value of the existing authorised unissued ordinary share capital and represents 32.33% of the Company’s issued ordinary share capital as at 31 May 2006. As at the date of this circular the Company holds no treasury shares. The directors have no present intention of exercising the authority.

Resolution 12 – Dis-application of pre-emption rights

Resolution 12 is a special resolution to renew the authority of the directors, under section 95 of the Act, to allot equity securities for cash without first offering them pro rata to existing shareholders as otherwise required by section 89 of the Act. The authority sought is limited to issues of equity securities (a) in connection with a rights issue or (b) (otherwise than in connection with a rights issue) up to an aggregate nominal amount of £11,015,771 (being equivalent to 5% of the Company’s issued ordinary share capital as at 31 May 2006). The renewed authority would expire at the conclusion of the next annual general meeting of the Company. The directors may use the statutory authority to allot shares without complying with section 89 of the Act in relation to a sale of treasury shares.

Resolution 13 – Purchase of own shares

Resolution 13 is a special resolution to renew the authority granted to the directors at the annual general meeting in July 2005 for the Company to make purchases of its own ordinary shares through the market. The renewed authority would expire at the conclusion of the next annual general meeting of the Company. The maximum aggregate number of ordinary shares which may be purchased would be 22,031,543 (representing 10% of the Company’s issued ordinary share capital as at 31 May 2006).

The minimum price that could be paid for an ordinary share would be 100p and the maximum price would be an amount equal to 105% of the average of the middle market quotations for an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share was contracted to be purchased, in each case excluding expenses.

The total number of options held over ordinary shares under the Company’s executive share option schemes was 8,053,527 as at 31 May 2006, representing 3.65% of the Company’s issued ordinary share capital as at 31 May 2006. This would increase to 4.06% if the authority to buy back shares under this resolution were to be used in full. The Company did not hold any treasury shares as at 31 May 2006.

On 1 June 2006 the Company announced its plan to raise the group’s gearing over the next two years by adding bolt-on acquisitions and buying back shares. In aggregate the Company expects to spend at least £200 million on these initiatives and the directors currently intend that the Company will use this authority to buy back shares in connection with this proposal.

It is the Company's present intention that any shares purchased would be held by the Company as treasury shares. Any such shares held in treasury for the purpose of the Company's employee share schemes would count towards the limits in such schemes.

The directors would only exercise this authority after taking account of the overall financial position of the Company and in circumstances where they believed that to do so would result in an increase in earnings per share and be in the best interests of shareholders generally.

Action to be taken

You will find enclosed a reply-paid form of proxy for use in connection with the AGM. Whether or not you are able to attend, you are requested to complete the form of proxy and return it in accordance with the instructions set out on the form to Lloyds TSB Registrars as soon as possible and, in any event, so as to arrive by no later than 12.00 noon on Sunday 23 July 2006. Alternatively, shareholders may register the appointment of a proxy electronically by logging onto Lloyds TSB Registrars' website at www.sharevote.co.uk. Electronic proxy appointments must also be received by Lloyds TSB Registrars by no later than 12.00 noon on Sunday 23 July 2006. Proxy voting in respect of uncertificated shares may also be registered through CREST – see note 5 on page 7 of this document. The completion and return of a form of proxy or the giving of an electronic proxy instruction will not preclude you from attending and voting in person at the AGM if you so wish.

Recommendation

The directors consider that all the proposed resolutions set out in the Notice of Annual General Meeting following this circular are in the best interests of the Company and of its shareholders as a whole and they unanimously recommend that you vote in favour of them, as each of the directors intends to do in respect of his own beneficial holding of shares in the Company.

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Banham', with a long horizontal flourish extending to the right.

Sir John Banham
Chairman



Johnson Matthey

Notice of Annual General Meeting

Notice is hereby given that the one hundred and fifteenth Annual General Meeting of Johnson Matthey Public Limited Company will be held at The Institution of Electrical Engineers (Lecture Theatre), Savoy Place, London WC2R 0BL on Tuesday 25 July 2006 at 12.00 noon to consider and, if thought fit, to pass the following resolutions:

Ordinary Resolutions:

1. That the Company's annual accounts for the financial year ended 31 March 2006 together with the directors' report and the auditors' report on those accounts be received.
2. That the directors' remuneration report for the year ended 31 March 2006 and the auditors' report on the auditable part of the directors' remuneration report be received and approved.
3. That a final dividend of 21.0 pence per ordinary share in respect of the year ended 31 March 2006 be declared and payable to members on the register at the close of business on 9 June 2006.
4. That Sir John Banham, who was appointed to the board since the last annual general meeting and who retires in accordance with the Company's articles of association, be elected a director of the Company.
5. That Mr NAP Carson, who retires by rotation, be re-elected a director of the Company.
6. That Dr PN Hawker, who retires by rotation, be re-elected a director of the Company.
7. That Mr LC Pentz, who retires by rotation, be re-elected a director of the Company.
8. That KPMG Audit Plc be re-appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
9. That the remuneration of the auditors be determined by the directors.
10. That, in accordance with section 347C of the Companies Act 1985 (as amended) (the "Act"), the Company be authorised:
 - a. to make donations to EU Political Organisations, as defined in section 347A of the Act, not exceeding £50,000 in total; and
 - b. to incur EU Political Expenditure, as defined in section 347A of the Act, not exceeding £50,000 in totalduring the period beginning with the date of the passing of this resolution and ending on 31 July 2007 or, if sooner, the conclusion of the annual general meeting of the Company to be held in 2007.
11. That the directors be and they are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (as amended) to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £71,234,562 provided that this authority is for a period expiring at the conclusion of the next annual general meeting of the Company after the passing of the resolution but the Company may, before such expiry, make offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of any such offers or agreements notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all subsisting authorities, to the extent unexercised, and all such authorities are hereby revoked.

Special Resolutions:

12. That, subject to the passing of resolution 11 above, the directors be and they are empowered pursuant to section 95 of the Companies Act 1985 (as amended) (the "Act") to allot equity securities (within the meaning of sections 94(2) to 94(3A) of the Act) wholly for cash pursuant to the authority conferred by resolution 11 above or by way of a sale of treasury shares as if section 89(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities:
- a. in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - b. otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £11,015,771

and shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offers or agreements notwithstanding that the power conferred by this resolution has expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Act as if, in the first paragraph of this resolution, the words "pursuant to the authority conferred by resolution 11 above" were omitted.

13. That, in accordance with Chapter VII of Part V of the Companies Act 1985 (as amended) (the "Act"), the Company be generally and unconditionally authorised to make market purchases (as defined in section 163(3) of the Act) of its own ordinary shares on such terms and in such manner as the directors may from time to time determine, provided that:
- a. the maximum aggregate number of ordinary shares hereby authorised to be purchased is 22,031,543 (representing 10% of the Company's issued ordinary share capital as at 31 May 2006);
 - b. the minimum price which may be paid for an ordinary share is 100p (excluding expenses);
 - c. the maximum price which may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased (excluding expenses); and
 - d. unless previously renewed, revoked or varied, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, but a contract or contracts of purchase may be made before such expiry which will or may be executed wholly or partly thereafter and a purchase of shares may be made in pursuance of any such contract.

By order of the Board:

Johnson Matthey Public Limited Company
Registered Number: 33774

Simon Farrant
Company Secretary
13 June 2006

Registered Office:
40-42 Hatton Garden
London EC1N 8EE

NOTES

1. Appointment of proxies

A member entitled to attend and vote at the meeting convened by the Notice set out above is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. A proxy is not entitled to speak at the meeting, except to demand a poll, and may vote only when a poll is taken. A form of proxy is enclosed. To be effective, a form of proxy must be lodged at the offices of the Company's registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6AB so as to be received no later than 12.00 noon on Sunday 23 July 2006. Completion of a form of proxy does not preclude a member from subsequently attending and voting at the meeting in person if he so wishes.

2. Electronic voting

Shareholders who prefer to register the appointment of their proxy electronically via the internet can do so through Lloyds TSB Registrars' website at www.sharevote.co.uk. Full details of the procedure are given on the website. The personal reference number, card ID and account number printed on the form of proxy will be required in order to use this electronic proxy appointment system. Alternatively, shareholders who have already registered with Lloyds TSB Registrars' on-line portfolio service, Shareview, can appoint their proxy electronically by logging onto their portfolio at www.shareview.co.uk and clicking on 'Company Meetings'. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 12.00 noon on Sunday 23 July 2006.

Shareholders who return a form of proxy or register the appointment of a proxy electronically will still be able to attend the meeting and vote in person if they so wish.

3. Documents available for inspection

The following documents are available for inspection at the registered office of the Company during normal business hours and from 11.00 am on Tuesday 25 July 2006 until the conclusion of the annual general meeting at the Institution of Electrical Engineers (Lecture Theatre), Savoy Place, London WC2R 0BL:

- The register of interests of the directors in the share capital of the Company.
- The contracts of service of the executive directors with the Company and any subsidiary undertakings.
- The non-executive directors' letters of appointment.
- Deeds of indemnity.

4. Entitlement to attend and vote

In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders entered on the Company's register of members no later than 6.00 pm on Sunday 23 July 2006 or, if the meeting is adjourned, shareholders entered on the Company's register of members no later than 6.00 pm on the date two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6.00 pm on Sunday 23 July 2006 (or after 6.00 pm on the date two days prior to any adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.

5. Electronic proxy appointment through CREST

Shareholders whose shares are held in uncertificated form through CREST may also register the appointment of a proxy electronically by following the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), must refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such appointment or instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time for receipt of proxy appointments specified in this Notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers, are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.