

Interim Results

for the six months ended 30th September 2006

On track to deliver good growth

Summary Results

- Sales revenue up 32% reflecting good underlying volume growth and higher precious metal prices
- Operating profit up 11% with most of the growth generated by Catalysts and Precious Metal Products Divisions
- Profit before tax up 8% at £115.1 million
- Total earnings per share up 9% at 38.3 pence. Interim dividend increased in line with earnings growth to 9.9 pence

Divisional Performance

Operating Profit

£ million	Half Year to 30th September		% change
	2006	2005	
Catalysts	70.8	65.2	+9
Precious Metal Products	37.2	30.6	+22
Pharmaceutical Materials	17.0	16.2	+5
Ceramics	10.2	10.8	-6
Corporate	(8.4)	(8.3)	
Operating profit	126.8	114.5	+11

- Catalysts Division's profit growth reflects increased sales of catalysed soot filters (CSFs) for diesel cars in Europe, strong autocatalyst sales in Asia and good demand for process catalysts
- Precious Metal Products Division has benefited from buoyant prices for platinum group metals and good growth in its manufacturing businesses

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Business Prospects

- Environmental Catalysts and Technologies (ECT) should achieve double digit growth in sales and profits this year with additional revenue from sales of heavy duty diesel (HDD) catalysts in the second half
- Pre-buying of trucks ahead of the introduction of the new emission standards will limit catalyst sales in 2006/07 but create further growth as truck sales recover in 2007/08 and 2008/09
- Additional investment is planned to expand capacity in ECT and to provide increased working capital to support the emergence of the new diesel catalyst markets
- High oil price supports growth in Process Catalysts and Technologies with increased demand for catalysts for synthesis gas production and good prospects for Davy Process Technology
- Precious Metal Products Division should continue to benefit from favourable market conditions for platinum group metals and growth in its manufacturing businesses
- Pharmaceutical Materials Division's recovery is expected to continue in the second half of the year with stronger sales in the US
- Ceramics Division's performance in the second half is likely to be below last year but the division should remain highly cash generative

Commenting on the results, Neil Carson, Chief Executive of Johnson Matthey said:

"Johnson Matthey has achieved good growth in the first half of 2006/07 with sales, excluding precious metals, up 17% and an 11% increase in operating profit.

The outlook for the second half is for continued top-line growth, driven by additional sales of emission control products for trucks and buses following the introduction of the new heavy duty diesel emission standards in Europe in October 2006 and North America in January 2007."