

Johnson Matthey America Holdings Limited

Directors' Report and Accounts

For the year ended 31 March 2008

Registered number: 3642634

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Johnson Matthey America Holdings Limited

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Johnson Matthey America Holdings Limited

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Directors' report

The directors present their report and audited accounts for the year ended 31 March 2008.

Principal activity, business review and future developments

The company was the holding company for certain investments of the Johnson Matthey group in the USA. On 30 November 2007 it sold these investments to Johnson Matthey Investments Limited.

Results and dividends

The company's profit for the year ended 31 March 2008 is £6,048,000 (2007 £1,188,000). The profit and loss account is set out on page 3. The directors do not recommend the payment of a dividend (2007 £ nil).

Directors

The directors who served during the year were J N Sheldrick, D W Morgan and I B C Huddart.

Directors' indemnities

The ultimate parent company, Johnson Matthey Plc, has granted indemnities in favour of the directors under Deed Polls. These provisions were in force during the year ended 31 March 2008 and remain in force at the date of this report.

Disclosure of information to auditors

So far as each person currently serving as a director of the company at the date this report is approved is aware, there is no relevant audit information of which the company's auditors are unaware and each director hereby confirms that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Responsibility of the directors for the preparation of the directors' report and the accounts

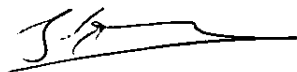
The directors are responsible for preparing the directors' report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with UK accounting standards. The accounts are required to give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board



S Farrant
Company Secretary
8 January 2009

Johnson Matthey America Holdings Limited

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Independent auditors' report

to the members of Johnson Matthey America Holdings Limited

We have audited the accounts of Johnson Matthey America Holdings Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the accounts in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 1.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

KPMG Audit Plc

8 January 2009

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London EC4Y 8BB

Johnson Matthey America Holdings Limited

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Profit and loss account

For the year ended 31 March 2008

	Notes	2008 £'000	2007 £'000
Net gain on foreign exchange		739	-
Operating profit		739	-
Interest receivable from ultimate parent company		7,902	1,697
Profit on ordinary activities before taxation	1	8,641	1,697
Taxation	2	(2,593)	(509)
Profit for the year		6,048	1,188

Statement of total recognised gains and losses

For the year ended 31 March 2008

	2008 £'000	2007 £'000
Profit for the year	6,048	1,188
Net exchange gain on borrowings to finance equity investments	4,199	11,314
Exchange losses arising on equity investments	(4,199)	(13,941)
Revaluation surplus transferred to retained earnings	5,260	-
Total recognised gains and losses relating to the year	11,308	(1,439)

Note of historical cost profits and losses

For the year ended 31 March 2008

	2008 £'000	2007 £'000
Reported profit on ordinary activities before taxation	8,641	1,697
Realisation of investment revaluation gains of previous years	5,260	-
Historical cost profit on ordinary activities before taxation	13,901	1,697
Historical cost profit for the year retained after taxation	11,308	1,188

The accompanying notes are an integral part of the accounts.

Johnson Matthey America Holdings Limited

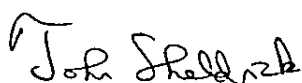
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Balance sheet

As at 31 March 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Investments in subsidiaries	3	-	230,943
Current assets			
Debtors: amounts owed by ultimate parent company	4	282,581	46,337
Creditors: amounts falling due within one year			
Current corporation tax		(2,593)	(3,340)
Net current assets		279,988	42,997
Net assets		279,988	273,940
Capital and reserves			
Called up share capital	5	4	4
Share premium account	6	251,621	251,621
Revaluation reserve	6	-	5,260
Profit and loss account	6	28,363	17,055
Shareholders' funds	7	279,988	273,940

The accounts were approved by the Board on 8 January 2009 and signed on its behalf by:



J N Sheldrick
Director

The accompanying notes are an integral part of the accounts.

Accounting policies

For the year ended 31 March 2008

Accounting convention

The accounts are prepared in accordance with applicable accounting standards under the historical cost convention except as noted below.

Basis of preparation

The company has taken advantage of the exemption from preparing consolidated accounts afforded by section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Johnson Matthey Plc which prepares consolidated accounts that are publicly available (note 9). Accordingly, these accounts present information about the company as an individual undertaking and not about its group.

The company is also on this basis exempt from the requirement of Financial Reporting Standard (FRS) 1 (Revised) – “Cash Flow Statements” to present a cash flow statement.

Investments

Equity investments in overseas subsidiaries are recorded at the sterling cost of the foreign currency investment at the time it is made. Certain equity investments are recorded in foreign currencies and are translated into sterling at year end exchange rates.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Foreign currencies

Transactions in foreign currencies during the year are translated into sterling at the rate of exchange ruling at the date of the transaction.

Where foreign currency borrowings have been used to finance foreign equity investments denominated in foreign currencies, any exchange differences arising on translation of such equity investments and the related foreign currency borrowings are taken to reserves, in accordance with Statement of Standard Accounting Practice (SSAP) 20.

Other assets and liabilities denominated in foreign currencies are translated into sterling at year end exchange rates and any exchange differences arising thereon are taken to the profit and loss account.

Johnson Matthey America Holdings Limited

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Notes to the accounts

For the year ended 31 March 2008

1. Profit on ordinary activities before taxation

The directors are remunerated by the ultimate parent company. During the year all the directors exercised share options in the ultimate parent company and received shares under the ultimate parent company long term incentive plan.

Audit fees are borne by the ultimate parent company.

2. Taxation

	2008 £'000	2007 £'000
Analysis of tax charge in the year		
Current tax		
UK corporation tax on profits for the year	2,593	509
Total taxation	2,593	509

Factors affecting tax charge for the year

There is no difference between the tax charge calculated using the standard UK corporation tax rate of 30% (2007 – 30%) and the current tax charge for the year.

Factors that may affect future tax charges

In July 2007 the UK government enacted a change in the UK corporation tax rate from 30% to 28% effective from 1 April 2008 which will impact the current tax charge in future years.

No provision for deferred tax is required.

3. Fixed assets - investments in subsidiaries

	£'000
Cost	
At beginning of year	230,943
Exchange adjustment	(4,199)
Disposals	(226,744)
At end of year	-

On 30 November 2007 the company sold its investment in Johnson Matthey Holdings, Inc to Johnson Matthey Investments Limited for a consideration of £226,744,000.

4. Debtors: amounts owed by ultimate parent company

At 31 March 2007 the company had several loans with Johnson Matthey Plc and had right of set off on these loans. With the exception of the remaining loans these loans were repaid during the year.

	2008 £'000	2007 £'000
Sterling loan	282,581	151,204
Japanese yen loan	-	(17)
US dollar loan	-	(104,850)
	282,581	46,337

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Notes to the accounts

For the year ended 31 March 2008

5. Called up share capital

	Authorised Number	£'000	Allotted, called up and fully paid Number	£'000
Ordinary shares of £1 each				
At the beginning and end of year	10,000	10	4,163	4

6. Reserves

	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
At beginning of year	251,621	5,260	17,055
Profit for the year	-	-	6,048
Net exchange gain on borrowings to finance equity investments	-	-	4,199
Exchange losses arising on equity investments	-	-	(4,199)
Disposals of revalued assets	-	(5,260)	5,260
At end of year	251,621	-	28,363

7. Movement in shareholders' funds

	2008 £'000	2007 £'000
Profit for the year	6,048	1,188
Net exchange gain on borrowings to finance equity investments	4,199	11,314
Exchange losses arising on equity investments	(4,199)	(13,941)
Movement in shareholders funds	6,048	(1,439)
Opening shareholders' funds	273,940	275,379
Closing shareholders' funds	279,988	273,940

8. Related party transactions

As the company is a wholly owned subsidiary of Johnson Matthey Plc, the company has taken advantage of the exemption contained in Financial Reporting Standard (FRS) 8 "Related Party Disclosures" and has therefore not disclosed transactions or balances with entities which form part of the Johnson Matthey group.

There were no other related party transactions during the year.

9. Ultimate parent company

The company's ultimate parent company is Johnson Matthey Plc. The consolidated accounts of Johnson Matthey Plc are available to the public and may be obtained from 40-42 Hatton Garden, London EC1N 8EE.