Directors' Report

Johnson Matthey PLC 33774

The directors submit to shareholders their one hundred and sixth annual report, together with the audited accounts of the group for the year ended 31st March 1997. Pages 1 to 34 are an integral part of the report.

Principal Activities

The group's principal activities are summarised on the inside front cover.

Dividends

The interim dividend of 4.7 pence per share, up 0.3 pence, was paid in February 1997. A final dividend of 10.8 pence per share, up 0.7 pence, is being proposed to shareholders as Resolution No.2 at the Annual General Meeting (AGM), making a total for the year of 15.5 pence, an increase of 7% over last year. Dividends for the year total £33.6 million.

Share Capital

Allotments of ordinary shares of £1 each of the company were made during the year as set out in note 20 on page 62. Resolutions will be proposed at the AGM to grant to the Board, until the next following general meeting, authority and power to allot new securities under sections 80 and 95 of the Companies Act 1985 (the Act).

Resolution No. 7 is an ordinary resolution to renew the authority of the directors to allot shares under section 80 of the Act. At the Annual General Meeting in July 1996 the directors' authority to issue securities was extended to five years from the date of the meeting. It is now proposed to extend that authority so that it applies for five years from the date of the AGM and that the number of shares which may be allotted be amended to 74,788,631 which is the amount of the authorised unissued ordinary share capital.

Resolution No. 8 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 with a nominal value not to exceed £10,845,568 being equivalent to 5% of the nominal value of the company's issued ordinary share capital at 31st May 1997.

Employment Policies

It is the policy of the group to train and develop employees at all levels so that group objectives can be met. We recruit, train and manage our employees regardless of sex, ethnic origin or religion. Employees who become disabled and disabled people are offered employment consistent with their capabilities. Close attention under the direction of the MDRC is given to the group's recruitment and training procedures as well as career development to meet current and future group requirements.

Johnson Matthey recognises the importance of effective employee communications. Information and comment is exchanged with employees through the company's in-house magazine, regular news bulletins, presentations to staff and team briefings.

39% of employees worldwide are shareholders in Johnson Matthey through the company's employee share participation schemes, which held 3,092,156 shares (1.43%) at 31st May 1997. 265 current and former executives hold options over 4,096,537 shares through the company's executive share option schemes.

Directors

Details of the directors of the company are shown on pages 30 and 31. In addition Mr P C D Burnell was a director for the period 1st April to 16th July 1996. In accordance with the company's Articles of Association, Mr D G Titcombe (who is employed on a rolling service contract subject to two years' notice), Mr H M P Miles and Mr P F Retief retire by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM. Directors' interests in the company's shares are detailed in the MDRC report on pages 37 to 44.

Directors' Report

Directors' Material Interests in Contracts

Other than service contracts, and the interest disclosed below, no director had any interest in any material contract with any group company at any time during the year.

By virtue of his interest as Managing Director of and a shareholder in Top Technology Limited, Mr H E Fitzgibbons was interested in a 50/50 joint venture company, KonserQ Limited, which was set up by the company and HATT II General Partners Limited to exploit novel thick film technology at the company's Technology Centre at Sonning. In August 1996 the technology was sold to Heraeus, Inc. and it is the intention of KonserQ shareholders to proceed with the liquidation of KonserQ upon expiry of the warranty period contained in the sale agreement.

Substantial Shareholdings

The company has been advised of the following notifiable interests in its ordinary share capital as at 31st May 1997:

Schroder Investment Management Ltd	19.73%
JCI (Isle of Man) Ltd	8.73%
Prudential Corporation group of companies (see note 1 below)	4.93%

JCI (Isle of Man) Ltd is a 100% wholly owned subsidiary of Discus Holdings Ltd which has 'A' and 'B' shares all owned by JCI Ltd.

The directors are not aware of any other notifiable holdings of 3% or more of the ordinary share capital of the company, but the following interests should also be noted:

1. The Prudential Corporation controls a number of non-material holdings which, when combined with the above notifiable material holdings, bring the total holding to 5.37% (1996 5.97%).
2. Gartmore Investment Limited is interested in its capacity as fund manager in 4.08% of the ordinary share capital of the company.

Auditor

In accordance with section 384 of the Companies Act 1985, a resolution is to be proposed at the forthcoming Annual General Meeting for the re-appointment of KPMG Audit Plc as auditor of the company.

Policy on Payment of Commercial Debts

The group's policy in relation to the payment of all suppliers (set out in its internal Group Control Manual, which is distributed to all group operations) is that payment should be made within the credit terms agreed with the supplier. At 31st March 1997, the company's aggregate level of "creditor days" amounted to 4 days. Creditor days are calculated by dividing the aggregate of the amounts which were owed to trade creditors at the end of the year by the aggregate of the amounts the company was invoiced by suppliers during the year and multiplying by 365 to express the ratio as a number of days.

Donations

During the year the group donated £234,000 (1996 £281,000) to charitable organisations, of which £187,000 (1996 £229,000) was in the UK. £27,050 (1996 £26,800) was donated for political purposes to the Conservative Party.

This report was approved by the directors on 10th June 1997 and is signed on their behalf by:

Gordon Thorburn

Gordon Thorburn, Secretary
Trafalgar Square, London

MDRC Report

Management Development and Remuneration Committee (MDRC) Report to Shareholders

The Committee and its Terms of Reference

The Management Development and Remuneration Committee (the Committee) comprises all the non-executive directors of the company as set out on pages 30 and 31.

Mr P C D Burnell resigned from the Committee on 16th July 1996 when he resigned from the Board of Johnson Matthey.

The company has complied throughout the year with the recommendations of the Greenbury Committee relating to remuneration committees now incorporated in Section A of the best practice provisions annexed to the Stock Exchange Listing Rules. In formulating remuneration policy the Committee gives full consideration to the best practice provisions set out in Section B of the Rules.

The Committee determines the amount of profit to be appropriated to the company's employee share participation schemes.

The remuneration of the non-executive directors is determined by the Board, within the limits prescribed by the company's Articles of Association.

Remuneration Policy

The Committee recognises that, in order to attract and retain a senior management team which will provide maximum shareholder value, it is necessary to have a competitive pay and benefits structure. To assist with this, the Committee receives regular advice from independent consultants on the pay and incentive arrangements prevailing in comparably sized industrial companies in each country in which Johnson Matthey has operations.

Executive Directors' Emoluments

The emoluments of the executive directors consist of the following components of a three year remuneration policy (1995-1997), which was determined by the Committee in 1995.

1 **Basic Salary** - which is in line with the median market salary for each director's responsibilities as advised by independent consultants. Basic salary is normally reviewed on 1st August each year and the Committee takes into account individual performance during the year.

2 **Annual Bonus** - which is paid as a percentage of basic salary under the terms of the company's Executive Compensation Plan (which also applies to the company's 140 or so most senior executives). The executive directors' bonus award is based on consolidated profit before tax (PBT) of Johnson Matthey compared with the annual budget. Under the terms of the scheme, an annual bonus payment of 30% of basic salary (prevailing at 31st March) is paid if the group meets the annual budget. This bonus payment may rise to a maximum of 50% of basic salary if the group achieves PBT of 107.5% of budget. PBT must reach 92.5% of budget for a minimum 15% of basic salary to be payable. The Committee retains discretion to vary the awards payable under the foregoing formulae. The bonuses paid to executive directors in 1996/97 in respect of 1995/96's results averaged 29.1% of salary at 31st March 1996.

MDRC Report

3 Term Plan - During 1994/95 a term bonus plan (the Plan) was introduced to motivate and reward the most senior executives of the company for the achievement of longer term objectives and enhanced shareholder value. During the first year of the Plan, the Committee granted options over existing shares, based on performance against 1994/95 budgeted PBT, to the value of 25% of the executive's salary. These shares will be held in trust until at least July 1997. The number of shares to be finally awarded in July 1997 will depend on the total shareholder return of Johnson Matthey's ordinary shares against the FTSE 350 on a sliding scale. At maximum, the number of shares could be doubled. There will be no distribution if it falls below the 7th decile which was the case at 31st May 1997. Subsequent awards to the top 50 or so most senior executives will be paid in cash and will be based on the company's average compound growth in earnings per share (excluding exceptional profits or losses) for the three years from 1996 to 1998. No awards will be made if earnings per share compound growth over the three years is less than 10% per annum.

4 Share Options - These have been granted under an approved scheme adopted in September 1985, the final grant under which was made in November 1994. New schemes, with performance criteria, were approved by shareholders on 11th July 1995 and amended on 26th July 1996. Options under all the schemes are granted in annual tranches, as recommended by the Greenbury Committee, up to the maximum permitted of 4 times earnings. Mr D J Davies holds stock appreciation rights under a share price related cash bonus scheme, the terms of which are similar to those of the 1985 and 1995 share option schemes.

5 Pensions - All the executive directors are members of the company's UK pension scheme. Under the scheme, members are entitled to a pension based on their service and final pensionable salary subject to Inland Revenue limits. The scheme provides life assurance cover of four times annual salary. The normal pension age for directors is 60.

None of the non-executive directors are in the scheme. Details of individual arrangements for executive directors are given on page 40.

6 Other Benefits - available to the executive directors are private health care insurance, a company car and membership of the company's employee share participation schemes which are open to all employees in most countries in which the company operates.

7 Service Contracts - The Chairman and Chief Executive's contract is subject to eleven months notice. The other executive directors are employed on rolling contracts subject to two years' notice at any time, which the Committee considers appropriate.

Emoluments

n the year 1st April 1996 to 31st March 1997 the Chairman and Chief Executive was the highest paid director and his emoluments were as follows:

	1996/97	1995/96
	£	£
Emoluments	**379,702**	362,559
Performance-related bonus (in respect of prior year)	**97,430**	120,000
Remuneration	**477,132**	482,559
Stock appreciation rights (see page 44)	**417,208**	180,140
Total	**894,340**	662,699

Remuneration received by each director during the year 1st April 1996 to 31st March 1997 was as follows:

	Salary £	Benefits £	Annual bonus £	Total excluding pension £	Total prior year excluding pension £
Executive					
J Davies	356,422	23,280	97,430	477,132	482,559
R N Clark	226,000	22,891	61,241	310,132	286,526
J Cleare	187,138	25,448	53,597	266,183	102,937
N Sheldrick	201,138	17,490	44,081	262,709	269,650
G Thorburn	143,685	18,634	36,056	198,375	207,447
G Titcombe	172,333	22,318	44,081	238,732	236,078
Non-Executive					
C D Burnell	5,833	-	-	5,833	20,000
E Fitzgibbons	20,000	-	-	20,000	20,000
R Jenkins	20,000	-	-	20,000	5,000
M P Miles	20,000	-	-	20,000	20,000
F Retief	20,000	-	-	20,000	20,000
H Wilson	32,500	-	-	32,500	32,500

J Cleare is based in the US and his emoluments shown above have been translated at the group's average exchange rate.

Benefits are shown as the assessment to tax for each director arising from the provision of a company car and private medical and life surance, plus the cost of company contributions to the company's employee share participation schemes.

The fees of P C D Burnell are shown up to the date of his resignation.

Executive directors may, with the consent of the Board, accept external directorships.

MDRC Report

Pensions

Pension and life assurance benefits for executive directors are provided through the company's final salary occupational pension scheme for UK employees - The Johnson Matthey Employees Pension Scheme (JMEPS) - which is constituted under a separate Trust Deed. The JMEPS is an exempt approved scheme under Chapter I of Part XIV of the Income & Corporation Taxes Act 1988, and its members are contracted-out of the State Earnings Related Pension Scheme.

The pensions benefits earned by the executive directors are as follows:

Name of Director	Age at 31st March 1997	Years of service at 31st March 1997	Director's contributions in the year (note 5) £	Increase in accrued pension in the year (note 2) £	Total accrued pension at 31st March 1997 (note 1) £p.a.	Transfer value of increase in accrued benefit at 31st March 1997 (note 3) £
D J Davies	57	7	6,510	3,034	8,704	26,000
C R N Clark	55	34	9,180	25,118	134,523	216,000
M J Cleare	53	30	6,440	21,427	89,113	157,000
J N Sheldrick	47	6	3,288	2,525	15,032	8,000
I G Thorburn	56	15	5,747	6,955	79,359	65,000
D G Titcombe	54	36	6,893	11,320	98,736	89,000

Notes:

1 The entitlement shown under "Total accrued pension at 31st March 1997" is the pension which would be paid annually on retirement, based on pensionable service to 31st March 1997. The pension would however be subject to an actuarial reduction of 0.3% per month for each month below age 60.

2 The increase in accrued pension during the year excludes any increase for inflation.

3 The transfer value has been calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note 11 less directors' contributions. No allowance has been made in the transfer value for any discretionary benefits that have been, or may be awarded under the JMEPS. On the recommendation of the actuary, the company has suspended contributions to the JMEPS until the next actuarial valuation.

4 The salaries of Messrs Davies and Sheldrick, who joined the scheme after 1989, have been supplemented by 9.5% and 14.5% respectively in view of the impact of the 1989 "earnings cap" on their JMEPS benefits.

5 Members' contributions are at the general scheme rate of 4% of pensionable pay i.e. basic salary excluding bonuses.

6 In the case of M J Cleare, who is currently resident in the USA, pension entitlements are based on a notional UK salary for pension purposes which is normally reviewed annually. His notional salary for the period 1st April to 31st July 1996 was £135,000 and from 1st August 1996 to 31st March 1997 was £174,000.

Directors' Interests

The interests of the directors in the shares of the company, according to the register required to be kept by section 325(1) of the Companies Act 1985, were at 31st March 1997:

Johnson Matthey Ordinary Shares

	31st March 1997	31st March 1996
D J Davies	**34,994**	27,133
G H Wilson	**574**	574
C D Burnell	****574**	574
C R N Clark	**15,299**	11,580
H J Cleare	**6,332**	8,671
E Fitzgibbons	**1,125**	1,125
R Jenkins	**1,000**	1,000
M P Miles	**562**	562
F Retief	*** 562**	* 562
N Sheldrick	**42,997**	40,268
G Thorburn	**14,909**	19,485
G Titcombe	**35,408**	32,692

* Non-beneficial interest

** As at date of resignation

The directors also have a potential interest in the 91,423 shares held by an employee benefit trust, the Johnson Matthey Share Retention Trust (the Trust), which was set up in July 1995 to hold shares for the Term Plan (described on page 38). The shares were purchased on the open market with a cash contribution of £511,100 from the company and are under conditional option to senior executives at an option price of 501 pence per share. The Term Plan options granted to directors are over 49,580 Trust shares. The anticipated cost of the options has been charged to the profit and loss account. At 31st March 1997 the market value of the shares held in the Trust was £499,627.

As at 31st March 1997, individual holdings under the company's executive share option schemes (or in the case of D J Davies the stock appreciation rights scheme) and under the Term Plan (options granted 19th July 1995) were as set out on pages 42 and 43. Options are not granted to the non-executive directors.

MDRC Report

	Date of grant	Ordinary shares under option	Exercise price (pence)	Date from which exercisable	Expiry date	Total number of ordinary shares under option
D J Davies	31.12.89	61,496	225.72	31.12.92	31.12.1999	418,673
	1.8.90	36,160	276.53	1.8.93	1.8.2000	
	1.8.91	37,898	316.59	1.8.94	1.8.2001	
	1.8.92	9,772	410.39	1.8.95	1.8.2002	
	1.8.93	26,788	447.95	1.8.96	1.8.2003	
	1.8.94	60,942	526.71	1.8.97	1.8.2004	
	19.7.95	13,779	0.01	19.7.97	31.3.1998	
	17.8.95	114,266	578.89	17.8.98	17.8.2005	
	17.7.96	57,572	574.50	17.8.99	17.7.2006	
C R N Clark	14.7.93	20,019	447.95	14.7.96	14.7.2003	160,510
	13.7.94	23,767	526.71	13.7.97	13.7.2004	
	19.7.95	8,268	0.01	19.7.97	31.3.1998	
	17.8.95	67,077	578.89	17.8.98	17.8.2005	
	17.7.96	41,379	574.50	17.7.99	17.7.2006	
M J Cleare	14.7.93	20,314	447.95	14.7.96	14.7.2003	177,887
	13.7.94	10,157	526.71	13.7.97	13.7.2004	
	19.7.95	6,635	0.01	19.7.97	31.3.1998	
	17.8.95	38,693	578.89	17.8.98	17.8.2005	
	1.12.95	20,000	533.00	1.12.98	1.12.2005	
	17.7.96	34,088	574.50	17.7.99	17.7.2006	
	8.1.97	48,000	590.50	8.1.2000	8.1.2007	

	Date of grant	Ordinary shares under option	Exercise price (pence)	Date from which exercisable	Expiry date	Total number of ordinary shares under option
J N Sheldrick	18.7.91	37,351	316.59	18.7.94	18.7.2001	206,754
	16.7.92	11,819	410.39	16.7.95	16.7.2002	
	14.7.93	25,392	447.95	14.7.96	14.7.2003	
	13.7.94	32,400	526.71	13.7.97	13.7.2004	
	19.7.95	7,349	0.01	19.7.97	31.3.1998	
	17.8.95	61,667	578.89	17.8.98	17.8.2005	
	17.7.96	30,776	574.50	17.7.99	17.7.2006	
G Thorburn	18.7.91	8,801	316.59	18.7.94	18.7.2001	104,783
	16.7.92	4,839	410.39	16.7.95	16.7.2002	
	14.7.93	4,570	447.95	14.7.96	14.7.2003	
	13.7.94	10,360	526.71	13.7.97	13.7.2004	
	19.7.95	6,200	0.01	19.7.97	31.3.1998	
	17.8.95	44,840	578.89	17.8.98	17.8.2005	
	17.7.96	25,173	574.50	17.7.99	17.7.2006	
D G Titcombe	18.7.91	37,351	316.59	18.7.94	18.7.2001	167,607
	16.7.92	11,496	410.39	16.7.95	16.7.2002	
	14.7.93	18,770	447.95	14.7.96	14.7.2003	
	13.7.94	23,767	526.71	13.7.97	13.7.2004	
	19.7.95	7,349	0.01	19.7.97	31.3.1998	
	17.8.95	38,098	578.89	17.8.98	17.8.2005	
	17.7.96	30,776	574.50	17.7.99	17.7.2006	

MDRC Report

Notes:

1 Between 1st April 1996 and 31st March 1997 the following options were exercised:

	Date of grant	Ordinary shares exercised	Exercise price (pence)
C R N Clark	18.7.91	37,351	316.59
	16.7.92	12,141	410.39
M J Cleare	22.7.87	5,117	392.81
	20.7.88	5,730	372.28
	26.7.89	9,210	422.11
	16.7.92	6,983	410.39
I G Thorburn	22.7.87	10,335	392.81
	20.7.88	9,926	372.28
	26.7.89	10,847	422.11
	11.7.90	55,771	276.53

The options were exercised on 14th June 1996 when the market price of the shares was 649.50 pence. The aggregate benefits arising to Messrs Clark, Cleare and Thorburn was £506,775.

2 On 3rd April 1996 Mr Davies exercised 50,000 stock appreciation rights at a price of 586.00 pence and received a cash payment of £180,140 and on 25th September 1996 he exercised 110,000 stock appreciation rights at a price of 605.00 pence and received a cash payment of £417,208.

3 The market price of the company's shares at 31st March 1997 was 546.50 pence and the range during 1996/97 was 526.50 pence to 663.00 pence.

Directors' interests at 1st June 1997 were unchanged from those listed above with the following exceptions:
The Trustees of the Johnson Matthey UK Employee Share Participation Scheme and the Johnson Matthey PEP manager have purchased on behalf of Messrs D J Davies, C R N Clark, J N Sheldrick, I G Thorburn and D G Titcombe a further 520, 522, 520, 475 and 515 ordinary shares respectively. The Trustees of the US Salaried Employees Savings Investment Plan have purchased 384 shares on behalf of Dr M J Cleare.
No director had an interest in the 3.5% preference shares at 1st April 1996 or 31st March 1997.

During the year ended 31st March 1997, other current and former executives exercised options to subscribe for a total of 782,760 ordinary shares at prices ranging between 276.53 pence and 578.89 pence per share. Since 31st March 1997 three current and former executives have exercised options to subscribe for 16,741 ordinary shares.

Michael Miles OBE

Chairman

Management Development and Remuneration Committee

Responsibility of the Directors

r the preparation of the accounts

ompany law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the mpany and group 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 judgments and estimates that are reasonable and prudent,

tate whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in he accounts,

repare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

eport of the Auditors

e members of Johnson Matthey Public Limited Company

have audited the accounts on pages 46 to 67. We have also examined the amounts disclosed relating to emoluments, share options and plan of the directors which form part of the MDRC report on pages 37 to 44.

spective Responsibilities of Directors and Auditor

escribed above the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent on, based on our audit, on those accounts and to report our opinion to you.

s of Opinion

onducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a asis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and ents made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group's stances, consistently applied and adequately disclosed.

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

ion

opinion the accounts give a true and fair view of the state of affairs of the company and the group as at 31st March 1997 and of the f the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Audit Plc
ed Accountants
ed Auditor

KPMG Audit Plc

e 1997

Consolidated Profit and Loss Account

for the year ended 31st March 1997

	NOTE	1997 £ million	1996 £ million
Turnover	1		
Total turnover		**2,580.1**	2,685.6
Less share of Cookson Matthey Ceramics plc		**(156.9)**	(156.7
Group turnover		**2,423.2**	2,528.9
Operating profit	1		
Continuing operations	2	**114.8**	108.
Discontinued operations	3	**1.5**	2.
		116.3	111.
Net interest	4	**(8.0)**	(8.
Profit on ordinary activities before taxation	5	**108.3**	102.
Taxation	6	**(29.2)**	(30.
Profit after taxation		**79.1**	71
Equity minority interests		**(1.2)**	(1
Profit attributable to shareholders		**77.9**	70
Dividends	8	**(33.6)**	(31
Retained profit for the year	21	**44.3**	38
		pence	pe
Earnings per ordinary share	7	**36.0**	3
Dividend per ordinary share	8	**15.5**	1

The notes on pages 51 to 67 form an integral part of the accounts.

Consolidated and Parent Company Balance Sheets

as at 31st March 1997

	NOTE	Group 1997 £ million	Group 1996 £ million	Parent company 1997 £ million	Parent company 1996 £ million
Fixed assets					
Tangible fixed assets	10	**354.4**	338.8	**88.4**	88.9
Investments	11	**84.2**	100.4	**169.6**	172.8
		438.6	439.2	**258.0**	261.7
Current assets					
Stocks	13	**185.3**	197.2	**107.2**	110.4
Debtors: due within one year	14	**179.2**	170.1	**442.4**	415.4
Debtors: due after one year	14	**73.1**	60.8	**71.9**	60.7
Short term investments		**0.3**	1.3	**0.3**	1.3
Cash at bank and in hand	15	**62.2**	35.3	**19.1**	0.6
		500.1	464.7	**640.9**	588.4
Creditors: Amounts falling due within one year					
Borrowings	15	**(124.2)**	(118.5)	**(2.2)**	(2.9)
Precious metal leases	16	**(22.8)**	(26.7)	**(22.3)**	(19.0)
Other creditors	17	**(193.9)**	(210.8)	**(195.3)**	(198.2)
Net current assets		**159.2**	108.7	**421.1**	368.3
Total assets less current liabilities		**597.8**	547.9	**679.1**	630.0
Creditors: Amounts falling due after more than one year					
Borrowings	15	**(81.7)**	(51.0)	**(68.3)**	(35.5)
Other creditors	17	**(0.8)**	(0.9)	**(0.2)**	(1.0)
Provisions for liabilities and charges	18	**(50.0)**	(45.8)	**(9.3)**	(8.8)
Net assets		**465.3**	450.2	**601.3**	584.7
Capital and reserves					
Called up share capital	20	**217.2**	216.4	**217.2**	216.4
Share premium account	21	**99.6**	97.2	**99.6**	97.2
Revaluation reserve	21	**17.3**	17.7	**6.7**	6.3
Associated undertakings' reserves	21	**(11.5)**	4.0	**-**	-
Profit and loss account	21	**142.5**	115.6	**277.8**	264.8
Shareholders' funds		**465.1**	450.9	**601.3**	584.7
Equity minority interests		**0.2**	(0.7)	**-**	-
		465.3	450.2	**601.3**	584.7

The accounts were approved by the Board of Directors on 10th June 1997 and signed on its behalf by:

D J Davies

Directors

J N Sheldrick

The notes on pages 51 to 67 form an integral part of the accounts.

Consolidated Cash Flow Statement

for the year ended 31st March 1997

	NOTE	1997 £ million	1996 £ million
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		**116.3**	111.0
Depreciation charges		**40.6**	33.1
Profit on sale of tangible fixed assets and investments		**(1.7)**	-
Profit of associated undertakings less dividends received	23	**(16.9)**	(20.8)
Decrease / (increase) in owned stocks		**0.3**	(20.2)
Increase in debtors		**(32.3)**	(9.1)
Increase / (decrease) in creditors and provisions		**18.1**	(8.0)
Net cash inflow from operating activities		**124.4**	86.0

Cash Flow Statement

	NOTE	1997 £ million	1996 £ million
Net cash inflow from operating activities		**124.4**	86.0
Returns on investments and servicing of finance	24	**6.2**	(2.0)
Taxation		**(18.2)**	(14.8)
Capital expenditure and financial investment	24	**(77.6)**	(53.3)
Acquisitions and disposals			
Investment in subsidiary undertakings and purchase of businesses	24	**(25.9)**	(111.1)
Net investment in and financing loans to associated undertakings	24	**0.7**	(27.5)
Net cash outflow for acquisitions and disposals		**(25.2)**	(138.6)
Equity dividends paid		**(31.9)**	(27.3)
Net cash outflow before use of liquid resources and financing		**(22.3)**	(150.0)
Management of liquid resources	24	**(0.8)**	(2.0)
Financing			
Issue and purchase of ordinary share capital	24	**3.2**	117.4
Increase in borrowings	24	**45.7**	44.7
Net cash inflow from financing		**48.9**	162.1
Increase in cash in the period		**25.8**	10.1

Reconciliation of net cash flow to movement in net debt

	NOTE	1997 £ million	1996 £ million
Increase in cash in the period		**25.8**	10.1
Cash inflow from increase in borrowings	25	**(45.7)**	(44.7)
Cash outflow from term deposits included in liquid resources		**0.8**	2.0
Change in net debt resulting from cash flows		**(19.1)**	(32.6)
Translation difference	25	**9.6**	0.8
Movement in net debt in year		**(9.5)**	(31.8)
Net debt at beginning of year	25	**(134.2)**	(102.4)
Net debt at end of year	25	**(143.7)**	(134.2)

The notes on pages 51 to 67 form an integral part of the accounts.

Total Recognised Gains and Losses

for the year ended 31st March 1997

	1997 £ million	1996 £ million
Profit attributable to shareholders	**77.9**	70.0
Currency translation differences on foreign currency net investments	**(27.3)**	7.0
Total recognised gains and losses relating to the year	**50.6**	77.0

Note of Historical Cost Profits and Losses

for the year ended 31st March 1997

	1997 £ million	1996 £ million
Reported profit on ordinary activities before taxation	**108.3**	102.2
Difference between historical cost depreciation and actual	**(0.2)**	(0.2)
Historical cost profit on ordinary activities before taxation	**108.1**	102.0
Historical cost retained profit	**44.1**	38.4

Movement in Shareholders' Funds

for the year ended 31st March 1997

	1997 £ million	1996 £ million
Profit attributable to shareholders	**77.9**	70.0
Dividends	**(33.6)**	(31.4)
Retained profit for the year	**44.3**	38.6
Currency translation differences on foreign currency net investments	**(27.3)**	7.0
New share capital subscribed	**3.2**	117.9
Goodwill written off in respect of acquisitions and joint ventures	**(6.0)**	(92.8)
Net addition to shareholders' funds	**14.2**	70.7
Opening shareholders' funds	**450.9**	380.2
Closing shareholders' funds	**465.1**	450.9

The notes on pages 51 to 67 form an integral part of the accounts.

Accounting Policies

for the year ended 31st March 1997

Accounting convention: The accounts are prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of certain land and buildings.

Basis of consolidation: The consolidated accounts comprise the accounts of the parent company and all its subsidiary undertakings and include the group's interest in associated undertakings.

The results of companies acquired or disposed of in the year are dealt with from or up to the effective date of acquisition or disposal respectively. The net assets of companies acquired are incorporated in the consolidated accounts at their fair values to the group at the date of acquisition. Goodwill arising on acquisitions is taken to reserves.

The parent company has not presented its own profit and loss account as permitted by section 230 of the Companies Act 1985.

Turnover: Comprises all invoiced sales of goods and services exclusive of sales taxes.

Foreign currencies: Profit and loss accounts in foreign currencies and cash flows included in the cash flow statement are translated into sterling at average exchange rates for the year. Foreign currency assets and liabilities are translated into sterling at the rates of exchange at the balance sheet date. Gains or losses arising on the translation of the net assets of overseas subsidiaries and associated undertakings are taken to reserves, less exchange differences arising on related foreign currency borrowings. Other exchange differences are taken to the profit and loss account.

Research and development expenditure: Charged against profits in the year incurred.

Depreciation: Freehold land and certain office buildings are not depreciated. The group's policy is to maintain these properties in such condition that their value does not diminish and the cost of maintenance is charged to operating profit. Other fixed assets are depreciated on a straight line basis at annual rates which vary according to the class of asset, but are typically; leasehold property 2% (or at higher rates based on the life of the lease), freehold buildings 3.33%, plant and equipment 10% - 33%.

Leases: The cost of assets held under finance leases is included under tangible fixed assets and the capital element of future lease payments is included in creditors. Depreciation is provided in accordance with the group's accounting policy for the class of asset concerned. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account using the annuity method. Rentals under operating leases are expensed as incurred.

Grants in respect of capital expenditure: Grants received in respect of capital expenditure are included in creditors and released to the profit and loss account in equal instalments over the expected useful lives of the related assets.

Precious metal stocks: Stocks of gold, silver and platinum group metals are valued according to the source from which the metal is obtained. Metal which has been purchased and committed to future sales to customers or hedged in metal markets is valued at the price at which it is contractually committed or hedged, adjusted for unexpired contango. Leased metal is valued at market prices at the balance sheet date. Other precious metal stocks owned by the group, which are unhedged, are valued at the lower of cost and net realisable value.

Other stocks: These are valued at the lower of cost, including attributable overheads, and net realisable value.

Deferred taxation: Provided using the liability method on all timing differences to the extent that they are expected to reverse in the foreseeable future.

Pensions and other retirement benefits: The group operates a number of contributory and non-contributory schemes, mainly of the defined benefit type, which require contributions to be made to separately administered funds. The cost of these schemes is charged to profit and loss account over the service lives of employees in accordance with the advice of the schemes' independent actuaries. Variations from the regular cost are spread over the average expected remaining service lives of current employees.

The cost of post-retirement health care benefits is charged to profit and loss account on a systematic basis over the expected service lives of employees. The actuarial liability for the cost of these benefits is fully provided for in the balance sheet.

Notes on the Accounts

for the year ended 31st March 1997

1 Segmental information

Activity analysis	Turnover **1997 £ million**	Turnover 1996 £ million	Operating profit **1997 £ million**	Operating profit 1996 £ million	Net operating assets **1997 £ million**	Net operating assets 1996 £ million
Precious Metals	**1,717.9**	1,933.3	**44.0**	42.2	**186.9**	194.6
Catalytic Systems	**361.6**	337.8	**34.1**	26.2	**133.3**	160.0
Electronic Materials	**343.7**	257.8	**30.9**	25.5	**220.9**	154.1
Cookson Matthey Ceramics plc	**156.9**	156.7	**15.3**	23.8	**76.0**	90.9
Corporate	**-**	-	**(9.5)**	(9.1)	**(8.1)**	(17.5)
	2,580.1	2,685.6	**114.8**	108.6	**609.0**	582.1
Discontinued operations	**-**	-	**1.5**	2.4	**-**	2.3
	2,580.1	2,685.6	**116.3**	111.0	**609.0**	584.4
Less share of Cookson Matthey Ceramics plc turnover	**(156.9)**	(156.7)				
Total group turnover	**2,423.2**	2,528.9				
Net interest			**(8.0)**	(8.8)		
Profit on ordinary activities before taxation			**108.3**	102.2		
Net borrowings					**(143.7)**	(134.2)
Net assets					**465.3**	450.2

Geographical analysis by origin	Turnover **1997 £ million**	Turnover 1996 £ million	Operating profit **1997 £ million**	Operating profit 1996 £ million	Net operating assets **1997 £ million**	Net operating assets 1996 £ million
Europe	**1,565.8**	1,930.1	**41.8**	52.5	**307.5**	334.3
North America	**842.3**	844.9	**61.4**	44.4	**228.7**	156.1
Rest of the World	**573.2**	355.7	**11.6**	11.7	**72.8**	91.7
	2,981.3	3,130.7	**114.8**	108.6	**609.0**	582.1
Discontinued operations	**-**	-	**1.5**	2.4	**-**	2.3
	2,981.3	3,130.7	**116.3**	111.0	**609.0**	584.4
Less inter-segment sales	**(401.2)**	(445.1)				
	2,580.1	2,685.6				
Less share of Cookson Matthey Ceramics plc turnover	**(156.9)**	(156.7)				
Total group turnover	**2,423.2**	2,528.9				
Net interest			**(8.0)**	(8.8)		
Profit on ordinary activities before taxation			**108.3**	102.2		
Net borrowings					**(143.7)**	(134.2)
Net assets					**465.3**	450.2

Notes on the Accounts

for the year ended 31st March 1997

1 Segmental information continued

External turnover by geographical destination	1997 £ million	1996 £ million
Europe	**913.6**	1,149.8
North America	**961.0**	1,033.6
Rest of the World	**705.5**	502.2
	2,580.1	2,685.6
Less share of Cookson Matthey Ceramics plc turnover	**(156.9)**	(156.7)
Total group turnover	**2,423.2**	2,528.9

The segmental information relating to turnover includes the group's share of the turnover of Cookson Matthey Ceramics plc. Operating profit is inclusive of the group's share of profits of all associated undertakings.

Turnover by destination relating to the United Kingdom amounted to £573.4 million (1996 £769.9 million).

2 Operating profit of continuing operations

	1997 £ million	1996 £ million
Group turnover	**2,423.2**	2,528.9
Cost of materials sold	**(1,949.2)**	(2,132.8)
Net revenues	**474.0**	396.1
Other cost of sales	**(278.1)**	(215.5)
Gross profit	**195.9**	180.6
Distribution costs	**(46.0)**	(46.7)
Administrative expenses	**(50.5)**	(48.8)
Share of operating profits of associated undertakings	**15.4**	23.5
Operating profit of continuing operations	**114.8**	108.6

3 Discontinued operations

The operating profit of discontinued operations relates to Matthey Rustenburg Refiners (Pty) Limited, an associated undertaking. The group's 49% interest was disposed of on 31st December 1996.

4 Net interest

	1997 £ million	1996 £ million
Interest payable on bank loans and overdrafts	**(5.6)**	(10.7)
Interest payable on other loans	**(4.2)**	(0.3)
	(9.8)	(11.0)
Interest receivable from Cookson Matthey Ceramics plc	**10.2**	8.3
Other interest receivable	**3.3**	3.0
Net interest - group	**3.7**	0.3
Share of net interest of associated undertakings - payable to group	**(10.2)**	(8.3)
Share of net interest of associated undertakings - other	**(1.5)**	(0.8)
Net interest	**(8.0)**	(8.8)

Notes on the Accounts

for the year ended 31st March 1997

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is arrived at after charging / (crediting):

		1997 £ million	1996 £ million
Research and development		**32.9**	34.6
less share of Cookson Matthey Ceramics plc		**(3.6)**	(3.2)
less external funding received		**(3.9)**	(5.0)
Net research and development		**25.4**	26.4
Depreciation on owned assets		**40.6**	33.1
Auditor's remuneration	- parent company	**0.3**	0.3
	- subsidiary undertakings	**0.6**	0.6
	- group	**0.9**	0.9
Other fees paid to auditor	- United Kingdom	**0.1**	0.3
	- rest of world	**0.1**	0.2
Operating lease rentals	- on plant and machinery	**2.6**	3.6
	- on other operating leases	**7.2**	7.2

Directors' fees were £0.1 million (1996 £0.1 million) and other emoluments were £2.2 million (1996 £1.8 million). Details are given in the MDRC report on pages 37 to 44.

6 Taxation

	£ million	1997 £ million	£ million	1996 £ million
United Kingdom				
Corporation tax at 33% (1996 33%)		**20.0**		14.2
Double taxation relief		**(6.4)**		(3.8)
Net advance corporation tax set off in year		**(1.5)**		(0.2)
Current taxation for year		**12.1**		10.2
Deferred taxation for year		**0.1**		0.9
		12.2		11.1
Overseas				
Taxation on income for the year	**6.3**		9.5	
Withholding tax deductions on overseas income	**0.1**		0.3	
Current taxation for year	**6.4**		9.8	
Deferred taxation for year	**6.3**		4.2	
		12.7		14.0
Associated undertakings		**4.3**		5.4
Total taxation		**29.2**		30.5

The group's average tax rate was 27.0% (1996 29.9%).

Notes on the Accounts

for the year ended 31st March 1997

7 Earnings per ordinary share

Profit for the year attributable to shareholders, less preference dividends, is £77.9 million (1996 £70.0 million). This is divided by the weighted average number of shares in issue calculated as 216,507,894 (1996 203,153,302) to give basic earnings per share of 36.0 pence (1996 34.4 pence).

8 Dividends

	1997 £ million	1996 £ million
3.5% Cumulative preference dividend paid £10,500 (1996 £10,500)	-	-
Interim ordinary dividend paid - 4.7 pence per share (1996 4.4 pence per share)	**10.2**	9.5
Final ordinary dividend proposed - 10.8 pence per share (1996 10.1 pence per share)	**23.4**	21.9
Total dividends	**33.6**	31.4

Johnson Matthey Share Retention Limited, as trustee for the employee benefit trust (described on page 41), waived its dividend entitlement, with the exception of 0.02 pence per share, on its holding of 91,423 ordinary shares of £1 each for the year ended 31st March 1997 (1996 0.01 pence).

9 Employee information

9a Retirement benefits

(i) United Kingdom pension scheme

The group's UK pension scheme is of the defined benefit type which requires contributions to be made to a separately administered fund. At 1st April 1994, the date of the latest actuarial valuation, the market value of the UK scheme's assets was £376.9 million, the actuarial value of which represented 157% of the liability for benefits that had accrued to that date, making full allowance for future salary and pension increases and after taking into account the special increase in pensions introduced as of 1st May 1995. This represents an actuarial surplus of £132.0 million which, following actuarial recommendations, has permitted the company to suspend contributions for the foreseeable future. A surplus cannot be refunded to the company except by dissolution of the scheme in accordance with the rules of the scheme and relevant legislation. Rates used at the last actuarial valuation at 1st April 1994 were as follows:

	per annum
Long term rate of investment return	8.0%
Dividend increase rate	4.0%
General salary and wage inflation rate	6.0%
Pension increase rate	4.0%

In accordance with the applicable accounting standard, the surplus on the group's UK pension fund has been spread over the average of the expected remaining service lives of current employees (12 years) as a variation from regular cost. The regular pension cost is assessed using the projected unit method.

(ii) Foreign schemes

Pension costs relating to foreign schemes are charged in accordance with local best practice using different accounting policies. The group's largest foreign scheme is in the US, which is of the defined benefit type and which requires contributions to be made to a separately administered fund. This scheme is accounted for using the applicable US accounting standard. The cost of obtaining actuarial valuations for the purpose of adjusting to the applicable UK accounting standard is considered to be out of proportion to the benefits to be gained.

(iii) Other retirement benefits

These costs are charged on an accruals basis similar to that used for pensions. The actuarial liability for the cost of these benefits is fully provided for in the balance sheet.

9a Retirement benefits continued

(iv) Profit and loss account and balance sheet impact of providing retirement benefits

The effect of providing pensions and other retirement benefits on operating profit was as follows:

	1997 £ million	1996 £ million
United Kingdom		
Regular pension cost	**(4.9)**	(4.6)
Variation from regular cost	**11.6**	12.3
Interest on prepayment	**4.8**	3.9
Cost of post-retirement medical benefits	**(0.3)**	(0.3)
	11.2	11.3
Overseas		
Cost of foreign pension schemes	**(3.0)**	(2.4)
Cost of post-retirement medical benefits	**(0.9)**	(0.9)
	7.3	8.0

The following prepayments and provisions relating to pension schemes and other post-retirement benefits are included in the group and parent company's balance sheets:

	Group		Parent company	
	1997 £ million	1996 £ million	1997 £ million	1996 £million
Prepaid pension costs in the UK	**71.4**	59.9	**71.4**	59.9
Provision for foreign pensions	**3.8**	4.3	**-**	-
Provision for post-retirement medical benefits - UK	**2.9**	2.7	**2.9**	2.7
Provision for post-retirement medical benefits - overseas	**12.5**	12.4	**-**	-

9b Employee numbers

	1997	1996
The average weekly number of employees during the year was as follows:		
Precious Metals	**2,038**	2,042
Catalytic Systems	**1,183**	1,106
Electronic Materials	**4,026**	2,216
Cookson Matthey Ceramics plc	**1,472**	1,441
Research and Corporate	**205**	260
	8,924	7,065
Less share of Cookson Matthey Ceramics plc	**(1,472)**	(1,441)
Average number of employees	**7,452**	5,624
Actual number of employees at 31st March	**9,737**	8,286
Less share of Cookson Matthey Ceramics plc	**(1,573)**	(1,447)
Actual number of employees at 31st March	**8,164**	6,839

The number of temporary employees included above at 31st March 1997 was 774 (1996 369).

Notes on the Accounts

for the year ended 31st March 1997

9c Employee costs

	1997 £ million	1996 £ million
Wages and salaries	**166.5**	134.3
Social security costs	**15.7**	14.4
Other pension costs	**(7.3)**	(8.0)
Total employee costs	**174.9**	140.7

10 Fixed assets - tangible assets

10a Asset revaluations

In March 1995 asset revaluations were carried out by Jones Lang Wootton, Chartered Surveyors, independent professional valuers, on group freehold land and buildings and short leasehold, having a total valuation of £75.2 million (parent company £41.1 million) and £0.1 million (parent company £0.1 million) respectively. The basis used was open market value for existing use or depreciated replacement cost whichever was considered the more appropriate basis in accordance with the RICS Statement of Asset Valuation Practice and Guidance Notes. Included were assets valued at depreciated replacement cost of £23.8 million in the group and £4.7 million in the parent company (1996 £25.3 million and £4.7 million respectively).

10b Group

	Freehold land & buildings £ million	Short leasehold £ million	Plant & machinery £ million	Total £ million
Cost / Valuation				
At beginning of year	122.3	16.2	370.8	509.3
Purchases	3.7	1.0	77.4	82.1
Acquisitions	-	-	1.0	1.0
Reclassifications	0.4	-	(0.4)	-
Disposals	-	-	(6.6)	(6.6)
Exchange adjustments	(8.1)	(1.8)	(28.7)	(38.6)
At end of year	118.3	15.4	413.5	547.2
Depreciation				
At beginning of year	5.6	4.5	160.4	170.5
Charge for the year	3.3	1.5	35.8	40.6
Disposals	-	-	(5.4)	(5.4)
Exchange adjustments	(0.6)	(0.5)	(11.8)	(12.9)
At end of year	8.3	5.5	179.0	192.8
Net book value at 31st March 1997	**110.0**	**9.9**	**234.5**	**354.4**
Net book value at 31st March 1996	116.7	11.7	210.4	338.8
Historical cost at 31st March 1997	121.4	15.9	413.5	550.8
Accumulated historical depreciation	28.0	6.1	179.0	213.1
Historical net book value at 31st March 1997	**93.4**	**9.8**	**234.5**	**337.7**

Freehold land and buildings of £44.7 million included above are not depreciated.

Notes on the Accounts

for the year ended 31st March 1997

10c Parent company

	Freehold land & buildings £ million	Short leasehold £ million	Plant & machinery £ million	Total £ million
Cost / Valuation				
At beginning of year	46.9	1.3	87.1	135.3
Purchases	0.1	-	7.3	7.4
Acquisitions	-	-	1.0	1.0
Transfers from subsidiary undertakings	-	-	0.8	0.8
Disposals	-	-	(2.9)	(2.9)
At end of year	47.0	1.3	93.3	141.6
Depreciation				
At beginning of year	1.0	0.4	45.0	46.4
Charge for the year	0.8	-	8.0	8.8
Transfers from subsidiary undertakings	-	-	0.5	0.5
Disposals	-	-	(2.5)	(2.5)
At end of year	1.8	0.4	51.0	53.2
Net book value at 31st March 1997	**45.2**	**0.9**	**42.3**	**88.4**
Net book value at 31st March 1996	45.9	0.9	42.1	88.9
Historical cost at 31st March 1997	47.6	1.8	93.3	142.7
Accumulated historical depreciation	9.0	1.0	51.0	61.0
Historical net book value at 31st March 1997	**38.6**	**0.8**	**42.3**	**81.7**

Freehold land and buildings of £32.5 million included above are not depreciated.

11 Fixed assets - investments

11a Group

	Share of net assets of Cookson Matthey Ceramics plc £ million	Loans to Cookson Matthey Ceramics plc £ million	Investment in other associated undertakings £ million	Investments listed on stock exchanges overseas £ million	Unlisted investments £ million	Total £ million
At beginning of year	(39.1)	130.0	5.0	3.2	1.3	100.4
Additions	-	-	1.6	-	-	1.6
Disposals	-	-	(2.6)	(1.2)	-	(3.8)
Goodwill written off	(4.2)	-	-	-	-	(4.2)
Exchange adjustments	(9.5)	-	(0.9)	-	(0.1)	(10.5)
Profits / (losses) retained for the year	(1.2)	-	1.9	-	-	0.7
At end of year	**(54.0)**	**130.0**	**5.0**	**2.0**	**1.2**	**84.2**

The market value of investments listed on overseas stock exchanges was £5.2 million (1996 £7.0 million).

Notes on the Accounts

for the year ended 31st March 1997

11b Parent company

	Investment in Cookson Matthey Ceramics plc £ million	Loans to Cookson Matthey Ceramics plc £ million	Investment in other associated undertakings £ million	Cost of investment in subsidiary undertakings £ million	Investments listed on stock exchanges overseas £ million	Total £ million
At beginning of year	36.3	130.0	2.2	1.1	3.2	172.8
Transfer to subsidiary undertaking	-	-	-	-	(3.2)	(3.2)
At end of year	**36.3**	**130.0**	**2.2**	**1.1**	**-**	**169.6**

The market value of investments listed on overseas stock exchanges was £ nil (1996 £7.0 million).
The principal subsidiary undertakings are shown on page 67.

11c Associated undertakings

		Issued share capital	Percentage holding of ordinary share capital %	Principal operating country
Cookson Matthey Ceramics plc	*	£69,000,000	50	England
Johnson Matthey HICOM Sdn. Bhd.	*	MYR 12,000,000	50	Malaysia
Arora-Matthey Limited		INR 19,920,000	40	India
KonserQ Limited	*	£1,001,000	50	England
AnorMED Inc.		C$33,466,260	40	Canada

Matthey Pharmaceutical Alkaloids, L.L.C., operating in USA, has members' capital of US$730,000 of which the group has a 50% holding.

* Investments directly held by parent company.

The group's cost of investment in associated undertakings amounted to £77.5 million (1996 £76.8 million), parent company £168.5 million (1996 £168.5 million).
The principal operating country is also the country of incorporation for each associated undertaking.

Johnson Matthey's 50% share of Cookson Matthey Ceramics plc's results and assets employed was as follows:

	Year ended 31st March 1997 £ million	Year ended 31st March 1996 £ million
Turnover	**156.9**	156.7
Net revenues	**86.9**	93.6
Operating profit	**15.3**	23.8
Profit before tax	**3.0**	14.2
Capital expenditure	**14.8**	15.1
Depreciation	**5.0**	4.8

	31st March 1997 £ million	31st March 1996 £ million
Shareholder loans - debentures	**130.0**	130.0
Shareholders' funds	**(54.0)**	(39.1)
Assets employed	**76.0**	90.9

Notes on the Accounts

for the year ended 31st March 1997

12 Transactions with related parties

The group's related parties are its associated undertakings described in note 11c. Matthey Rustenburg Refiners (Pty) Limited was an associated undertaking and a related party until 31st December 1996 when the group's 49% interest was sold.

During the year the group supplied precious metals to a value of £9.6 million to Cookson Matthey Ceramics plc, a joint venture ceramics materials business with Cookson Group plc, management services amounting to £4.2 million, and sold fixed assets of £0.2 million. The group purchased £0.7 million of gold and rhodium resinates and other materials. Total balances receivable from Cookson Matthey Ceramics plc at 31st March 1997 were £2.1 million.

During the year the group supplied catalysts of £0.3 million and precious metals of £0.5 million to Johnson Matthey HICOM Sdn. Bhd., a joint venture autocatalyst business. Total balances receivable from Johnson Matthey HICOM Sdn. Bhd. at 31st March 1997 were £0.7 million.

During the year the group supplied precious metals of £32,000 to Arora-Matthey Limited. Total balances receivable from Arora-Matthey Limited at 31st March 1997 were £8,000.

During the year the group made service charges of £28,000 to KonserQ Limited. Total balances receivable from KonserQ Limited at 31st March 1997 were £115,000.

During the year the group made service charges of £186,000 and sold £328,000 of plant and machinery to AnorMED Inc. Total balances receivable from AnorMED Inc. at 31st March 1997 were £86,000.

During the year the group supplied finished opiate products to a value of £89,000 to Matthey Pharmaceutical Alkaloids, L.L.C. The group purchased fixed assets at a cost of £0.9 million which it then transferred to Matthey Pharmaceutical Alkaloids, L.L.C. on a finance lease agreement, under which capital repayments of £11,000 and income of £13,000 were received. Total balances receivable from Matthey Pharmaceutical Alkaloids, L.L.C. at 31st March 1997 were £1.1 million which includes the finance lease capital debtor under one year of £19,000 and over one year £853,000.

3 Stocks

		Group		Parent company	
		1997	1996	**1997**	1996
		£ million	£ million	**£ million**	£ million
aw materials and consumables		**20.9**	30.3	**4.9**	9.9
Vork in progress	- precious metals	**107.4**	120.6	**89.7**	90.9
	- other	**28.4**	18.9	**4.8**	4.4
nished goods and goods for resale		**28.6**	27.4	**7.8**	5.2
otal stocks		**185.3**	197.2	**107.2**	110.4

he group also holds customers' materials in the process of refining and fabrication and for other reasons.
arent company precious metals includes net metal lent to subsidiary and associated undertakings.

Notes on the Accounts

for the year ended 31st March 1997

14 Debtors

	Group 1997 £ million	Group 1996 £ million	Parent company 1997 £ million	Parent company 1996 £ million
Debtors: due within one year				
Trade debtors	**144.3**	137.1	**32.9**	37.4
Amounts owed by subsidiary undertakings	**-**	-	**394.0**	362.4
Amounts owed by associated undertakings	**3.4**	7.2	**2.2**	6.3
Other debtors	**15.4**	13.8	**7.0**	5.2
Prepayments and accrued income	**16.1**	12.0	**6.3**	4.1
	179.2	170.1	**442.4**	415.4
Debtors: due after one year				
Prepaid pensions	**71.4**	59.9	**71.4**	59.9
Amounts owed by subsidiary undertakings	**-**	-	**0.5**	0.8
Finance lease receivable from associated undertaking	**0.9**	-	**-**	-
Other debtors	**0.8**	0.9	**-**	-
	73.1	60.8	**71.9**	60.7

15 Borrowings

	Group 1997 £ million	Group 1996 £ million	Parent company 1997 £ million	Parent company 1996 £ million
Borrowings falling due after more than one year				
Bank and other loans repayable by instalments				
From two to five years	**-**	1.2	**-**	-
From one to two years	**-**	0.3	**-**	-
Bank and other loans repayable otherwise than by instalments				
6.36% US Dollar Bonds 2006	**60.9**	-	**60.9**	-
Other after five years	**5.2**	5.7	**-**	-
From two to five years	**10.7**	26.8	**7.4**	19.2
From one to two years	**4.9**	17.0	**-**	16.3
Borrowings falling due after more than one year	**81.7**	51.0	**68.3**	35.5
Borrowings falling due within one year				
Bank and other loans	**24.2**	18.5	**2.2**	2.9
Redeemable preference shares	**100.0**	100.0	**-**	-
Borrowings falling due within one year	**124.2**	118.5	**2.2**	2.9
Total borrowings	**205.9**	169.5	**70.5**	38.4
Less cash and deposits	**62.2**	35.3	**19.1**	0.6
Net borrowings	**143.7**	134.2	**51.4**	37.8

Bank and other loans include £1.5 million (1996 £2.3 million) secured on the assets of a subsidiary undertaking. The loans are denominated in various currencies and bear interest at commercial rates. The aggregate amount of loans which are repayable by instalments is £ nil (1996 £2.3 million).

16 Precious metal leases

Precious metal leases are rental and consignment stock arrangements under which banks provide the group with precious metals for a specified period and for which the group pays a fee. The group holds sufficient precious metal stocks to meet all the obligations under these lease arrangements as they come due.

17 Other creditors

	Group		Parent company	
	1997	1996	**1997**	1996
	£ million	£ million	**£ million**	£ million
Amounts falling due within one year				
Trade creditors	**74.7**	78.2	**14.0**	19.6
Amounts owed to subsidiary undertakings	**-**	-	**127.0**	125.8
Amounts owed to associated undertakings	**0.1**	-	**-**	-
Current corporation tax	**22.7**	24.1	**7.7**	11.7
Other taxes and social security costs	**4.5**	3.9	**1.5**	0.9
Payment due for acquisitions (note 26)	**2.0**	26.4	**2.0**	-
Other creditors	**22.3**	14.2	**5.2**	2.5
Accruals and deferred income	**44.2**	42.1	**14.5**	15.8
Dividends	**23.4**	21.9	**23.4**	21.9
Total other creditors falling due within one year	**193.9**	210.8	**195.3**	198.2
Amounts falling due after more than one year				
Amounts owed to subsidiary undertakings	**-**	-	**0.2**	1.0
Other creditors	**0.8**	0.9	**-**	-
Total other creditors falling due after more than one year	**0.8**	0.9	**0.2**	1.0

8 Provisions for liabilities and charges

8a Group

	Retirement benefits £ million	Other provisions £ million	Deferred taxation (note 19) £ million	Total £ million
t beginning of year	19.4	9.6	16.8	45.8
xchange adjustments	(1.2)	(0.6)	(0.6)	(2.4)
tilised	(2.5)	(1.7)	-	(4.2)
harge for year	3.5	0.9	6.4	10.8
t end of year	**19.2**	**8.2**	**22.6**	**50.0**

8b Parent company

	Retirement benefits £ million	Other provisions £ million	Deferred taxation (note 19) £ million	Total £ million
beginning of year	2.7	2.1	4.0	8.8
ilised	(0.1)	-	-	(0.1)
arge for year	0.3	0.2	0.1	0.6
end of year	**2.9**	**2.3**	**4.1**	**9.3**

Notes on the Accounts

for the year ended 31st March 1997

19 Deferred taxation

	Group Provision £ million	Group Full potential liability £ million	Parent company Provision £ million	Parent company Full potential liability £ million
Timing differences on fixed assets	**22.3**	**22.9**	**4.1**	**4.2**
Timing differences on stock	**0.3**	**0.3**	-	-
Deferred capital gains	-	**1.1**	-	**1.1**
Advance corporation tax not utilised	-	**(30.5)**	-	**(30.5)**
	22.6	**(6.2)**	**4.1**	**(25.2)**

No account has been taken of taxation which would be payable if the retained profits of overseas subsidiary and associated undertakings were distributed.

20 Called up share capital

	1997 Authorised £ million	1997 Allotted issued fully paid £ million	1996 Authorised £ million	1996 Allotted issued fully paid £ million
3.5% Cumulative preference shares of £1 each	**0.4**	**0.3**	0.4	0.3
Ordinary shares of £1 each	**291.6**	**216.9**	291.6	216.1
Total called up share capital	**292.0**	**217.2**	292.0	216.4

The number of ordinary shares in issue at 31st March 1997 was 216,894,628 (1996 216,111,868).

During the year ended 31st March 1997, current and former senior executives exercised their options to subscribe for a total of 782,760 ordinary shares at prices from 276.53 pence per share to 578.89 pence per share.

Since 31st March 1997 three executives and former executives have exercised options to subscribe for 16,741 ordinary shares. As a consequence, a further £51,158 has been credited to the share premium account. Therefore, as at 31st May 1997 after completing these allotments there were 216,911,369 ordinary shares in issue.

Certain directors and senior executives have options under the group's executive share option schemes giving them the right to subscribe for a total as at 31st May 1997 of 4,187,960 ordinary shares, exercisable at various times up to the year 2007 at prices from 276.53 pence per share to 608.50 pence per share.

With the exception of 3.5% cumulative preference shares, the company has no non-equity share capital.

Notes on the Accounts

for the year ended 31st March 1997

21 Reserves

21a Group

	Share premium account £ million	Revaluation reserve £ million	Associated undertakings' reserves £ million	Profit & loss account £ million
At beginning of year	97.2	17.7	4.0	115.6
Exchange adjustments	-	(0.6)	(10.4)	(16.3)
Premium on shares issued	2.4	-	-	-
Retained profit for the period	-	-	0.7	43.6
Goodwill written off in respect of acquisitions and joint ventures	-	-	(4.2)	(1.8)
Transfers and other movements	-	0.2	(1.6)	1.4
At end of year	**99.6**	**17.3**	**(11.5)**	**142.5**

At 31st March 1997, the cumulative amount of goodwill, net of goodwill relating to disposals, charged against profit and loss account was £148.0 million (1996 £146.2 million), and against associated undertakings' reserves £8.3 million (1996 £4.1 million).

In the group accounts, £12.2 million of net exchange gains (1996 £4.0 million losses) on foreign currency borrowings have been offset in reserves against exchange losses (1996 gains) on the translation of the related net investment in overseas subsidiaries.

21b Parent company

	Share premium account £ million	Revaluation reserve £ million	Profit & loss account £ million
At beginning of year	97.2	6.3	264.8
Premium on shares issued	2.4	-	-
Retained profit for the period	-	-	15.0
Goodwill written off in respect of acquisitions and joint ventures	-	-	(1.6)
Transfers and other movements	-	0.4	(0.4)
At end of year	**99.6**	**6.7**	**277.8**

The parent company's profit for the financial year was £48.7 million (1996 £38.0 million).

Notes on the Accounts

for the year ended 31st March 1997

22 Commitments, guarantees and contingent liabilities

	Group		Parent company	
	1997 £ million	1996 £ million	**1997 £ million**	1996 £ million
Commitments				
Future capital expenditure				
Contracted	**1.8**	3.2	**-**	0.8
Authorised but not contracted	**2.3**	4.5	**0.8**	2.6
Annual commitments under operating leases				
Leases of land and buildings terminating				
Within one year	**0.5**	0.5	**-**	-
In one to five years	**3.1**	3.5	**-**	-
Over five years	**3.0**	3.4	**2.5**	2.5
Other leases terminating				
Within one year	**0.6**	0.6	**0.2**	0.3
In one to five years	**1.7**	1.8	**0.6**	0.5
Guarantees				
Guarantees of subsidiary undertakings' borrowings	**-**	-	**118.6**	114.5
Guarantees of associated undertakings' borrowings	**2.7**	3.9	**2.7**	3.9
Other guarantees	**1.1**	1.0	**1.1**	0.2

Contingent liabilities

In August 1993, General Motors Corporation (GM) issued proceedings against Johnson Matthey in the United States alleging breach of contract and various other matters. Johnson Matthey vigorously rejects all GM's allegations which it does not believe have any substance and has filed several counterclaims. The directors are of the opinion, relying on legal advice, that GM's allegations will not prevail.

23 Profit of associated undertakings less dividends received

	1997 £ million	1996 £ million
Share of operating profits of continuing associated undertakings	**15.4**	23.5
Dividends from associated undertakings	**-**	(5.1)
Profit of continuing associated undertakings less dividends received	**15.4**	18.4
Share of operating profits of discontinued associated undertaking	**1.5**	2.4
Profit of associated undertakings less dividends received	**16.9**	20.8

24 Gross cash flows

24a Returns on investments and servicing of finance

	1997 £ million	1996 £ million
Interest received from associated undertakings	**10.2**	5.9
Interest received	**3.5**	3.0
Interest paid	**(7.5)**	(10.9)
Net cash inflow / (outflow) for returns on investments and servicing of finance	**6.2**	(2.0)

Notes on the Accounts

For the year ended 31st March 1997

24b Capital expenditure and financial investment

	1997 £ million	1996 £ million
Purchase of tangible fixed assets	**(81.1)**	(51.0)
Purchase of fixed asset investments	**-**	(3.2)
Finance lease to associated undertaking	**(0.9)**	-
Sale of tangible fixed assets	**0.9**	0.5
Sale of fixed asset investments	**2.9**	-
Sale of short term investments	**0.6**	0.4
Net cash outflow for capital expenditure and financial investment	**(77.6)**	(53.3)

24c Cash flows on acquisitions and disposals

	£ million	1997 £ million	£ million	1996 £ million
Investment in subsidiary undertakings		**-**		(113.0)
Cash acquired with subsidiary undertakings		**-**		2.3
Purchase of businesses (note 26)		**(25.9)**		(0.4)
		(25.9)		(111.1)
Investment in associated undertakings	**(1.3)**		(1.0)	
Loans to associated undertakings	**-**		(26.5)	
Sale of investment in associated undertakings (note 27)	**2.0**		-	
		0.7		(27.5)
Net cash outflow for acquisitions and disposals		**(25.2)**		(138.6)

24d Management of liquid resources

	1997 £ million	1996 £ million
Cash paid into term deposits of less than a year	**(6.6)**	(8.5)
Cash withdrawn from term deposits of less than a year	**5.8**	6.5
Net cash outflow from management of liquid resources	**(0.8)**	(2.0)

24e Financing

	£ million	1997 £ million	£ million	1996 £ million
Issue of ordinary share capital		**3.2**		117.9
Purchase of own shares		**-**		(0.5)
		3.2		117.4
Increase in borrowings falling due within one year	**9.8**		44.2	
Increase in borrowings falling due after more than one year	**35.9**		0.5	
		45.7		44.7
Net cash inflow from financing		**48.9**		162.1

25 Analysis of net debt

	Cash at bank and in hand £ million	Borrowings due within one year - overdrafts £ million	Borrowings due within one year - other £ million	Borrowings due after more than one year £ million	Total £ million
At beginning of year	35.3	(9.2)	(109.3)	(51.0)	(134.2)
Cash flow					
From cash and overdrafts	28.3	(2.5)	-	-	25.8
From borrowings	-	-	(9.8)	(35.9)	(45.7)
From term deposits	0.8	-	-	-	0.8
Net cash flow	29.1	(2.5)	(9.8)	(35.9)	(19.1)
Other non cash changes	-	-	(1.4)	1.4	-
Effect of foreign exchange rate changes	(2.2)	0.7	7.3	3.8	9.6
At end of year	**62.2**	**(11.0)**	**(113.2)**	**(81.7)**	**(143.7)**

26 Acquisitions and joint ventures

Payment for business acquired from Cray Research Inc. in the year ended 31st March 1996

On 31st March 1996 the group acquired the printed circuit board factory and related assets of Cray Research Inc. Payment of £14.7 million was made on 5th April 1996, and the balance of £10.7 million was made on 19th December 1996.

Argentina

On 26th November 1996 the group entered into an agreement with Magneti Marelli S.p.A. to set up a joint venture company to manufacture autocatalysts in Argentina. As part of this agreement the group agreed to purchase Magneti Marelli's autocatalyst plant in Turin, parts of which will be utilised in the construction of the facility in Argentina, and associated goodwill. The consideration was £2.3 million, £0.3 million payable immediately and £2.0 million on completion of the joint venture in Argentina, and £0.3 million of accrued costs. The fair value of the equipment purchased is estimated at £1.0 million resulting in goodwill of £1.6 million. This has been accounted for by acquisition accounting.

Mexico

On 15th June 1996 the group acquired the business of Technologia Electronica De Juarez for consideration of £0.1 million and costs of £0.1 million, giving goodwill of £0.2 million. This has been accounted for by acquisition accounting.

AnorMED Inc.

On 28th June 1996 the group entered into a joint venture for the further development of its biomedical research activities. The group has a 40% share and the balance is owned by a number of institutional and private investors and management. The group's investment is being accounted for as an associated undertaking.

Acquisitions by Cookson Matthey Ceramics plc

In April 1996 Cookson Matthey Ceramics plc acquired the Brazilian interests of Zirfid S.A. The operations, which supply colours, glazes and other materials to the tile industry, were acquired for a cash consideration of US$16 million. Cookson Matthey Ceramics plc acquired a number of other businesses and increased its shareholding in certain subsidiary undertakings during the year, for a total consideration of £4.3 million. The group's share of the goodwill arising on these transactions (including the Brazilian interests of Zirfid S.A.) amounted to £4.2 million.

27 Disposals

On 31st December 1996 the group disposed of its 49% interest in Matthey Rustenburg Refiners (Pty) Limited at book value for £2.6 million, of which £2.0 million was received during the year.

Principal Subsidiary and Associated Undertakings

Europe	Country of incorporation
S.A. Johnson Matthey N.V.	Belgium
Johnson Matthey S.A.	France
Johnson Matthey GmbH	Germany
Svenska Emissionsteknik AB	Sweden
Johnson Matthey & Brandenberger AG	Switzerland
*Cookson Matthey Ceramics plc (50%)	UK
Matthey Holdings Limited	UK

North America	
Johnson Matthey Limited	Canada
Johnson Matthey de Mexico, S.A. de C.V.	Mexico
Johnson Matthey America L.L.C.	USA
Johnson Matthey Investments, Inc.	USA
Johnson Matthey Inc.	USA
Johnson Matthey Catalog Company Inc.	USA
Johnson Matthey Electronics, Inc.	USA
The Alta Group Inc.	USA
Advance Circuits, Inc.	USA
Johnson Matthey Semiconductor Packages, Inc.	USA

Australia and New Zealand	Country of incorporation
Johnson Matthey Limited	Australia
Johnson Matthey (Aust.) Limited	Australia
Johnson Matthey (NZ) Limited	New Zealand

Asia	
Johnson Matthey Hong Kong Limited	Hong Kong
*Arora-Matthey Limited (40%)	India
Johnson Matthey Japan Limited	Japan
Ryoka Matthey Corporation (50%)	Japan
* Johnson Matthey HICOM Sdn. Bhd. (50%)	Malaysia
Johnson Matthey (Singapore) Pte Limited	Singapore
Johnson Matthey Korea Limited	South Korea

South Africa	
Johnson Matthey (Pty) Limited	South Africa

Except where otherwise stated, all companies are wholly owned.

*Associated undertakings (see note 11c on page 58).

All the subsidiary and associated undertakings are involved in the principal activities of the group.

All the above undertakings operate principally in their country of incorporation.

Five Year Record

	1993 £ million	1994 £ million	1995 £ million	1996 £ million	**1997 £ million**
Turnover					
Parent and subsidiaries	1,853.7	1,955.0	2,177.8	2,528.9	**2,423.2**
Cookson Matthey Ceramics plc (50%)	-	-	97.1	156.7	**156.9**
Total	1,853.7	1,955.0	2,274.9	2,685.6	**2,580.1**
Operating profit	71.6	81.6	100.4	111.0	**116.3**
Profit / (loss) on termination of operations	3.7	(6.7)	-	-	**-**
Fundamental restructuring	-	(5.0)	(0.7)	-	**-**
Profit before interest	75.3	69.9	99.7	111.0	**116.3**
Interest	(1.5)	(4.6)	(4.3)	(8.8)	**(8.0)**
Profit before tax	73.8	65.3	95.4	102.2	**108.3**
Taxation	(23.7)	(20.7)	(30.5)	(30.5)	**(29.2)**
Profit after tax	50.1	44.6	64.9	71.7	**79.1**
Equity minority interests	(0.3)	(0.2)	(1.0)	(1.7)	**(1.2)**
Profit attributable to shareholders	49.8	44.4	63.9	70.0	**77.9**
Dividends	(19.1)	(21.8)	(25.9)	(31.4)	**(33.6)**
Profit retained	30.7	22.6	38.0	38.6	**44.3**
Earnings per ordinary share - FRS 3*	26.5p	23.1p	32.9p	34.4p	**36.0p**
Earnings per ordinary share excluding exceptional items*	25.2p	27.0p	33.2p	34.4p	**36.0p**
Dividend per ordinary share	10.3p	11.4p	13.5p	14.5p	**15.5p**
Interest cover (times) (Operating profit / net interest payable)	47.7	17.7	23.3	12.6	**14.5**
Dividend cover - net (times) (Earnings per ordinary share / dividend per ordinary share)	2.6	2.0	2.4	2.4	**2.3**

*The earnings per ordinary share for 1995 and prior years have been adjusted for the bonus element in the 1 for 8 rights issue made on 19th September 1995.The actual cum rights price on the last day of quotation (13th September 1995) was 581 pence per share.

Five Year Record

	1993 £ million	1994 £ million	1995 £ million	1996 £ million	**1997 £ million**
Summary Balance Sheet					
Assets employed:					
Tangible fixed assets	297.2	323.1	272.7	338.8	**354.4**
Investments in associates	1.1	1.1	70.9	100.4	**84.2**
Stocks	170.3	156.9	153.6	197.2	**185.3**
Debtors	185.7	207.2	190.9	232.2	**252.6**
Other creditors and provisions	(232.8)	(242.1)	(207.5)	(284.2)	**(267.5)**
	421.5	446.2	480.6	584.4	**609.0**
Financed by:					
Net borrowings	90.6	76.1	102.4	134.2	**143.7**
Shareholders' funds	330.0	368.7	380.2	450.9	**465.1**
Equity minority interests	0.9	1.4	(2.0)	(0.7)	**0.2**
Capital employed	421.5	446.2	480.6	584.4	**609.0**
Capital expenditure	54.9	65.4	48.2	52.1	**82.1**
Depreciation	31.2	30.7	27.8	33.1	**40.6**
Average number of employees	6,223	6,287	4,996	5,624	**7,452**
Gearing (Net borrowings / shareholders' funds and equity minority interests)	27.4%	20.6%	27.1%	29.8%	**30.9%**
Return on capital employed (Operating profit / capital employed)	17.0%	18.3%	20.9%	19.0%	**19.1%**
Return on assets (Operating profit / average capital employed and cumulative goodwill)	17.2%	16.9%	19.4%	17.4%	**15.5%**

Shareholder Information

Shareholder Analysis

Analysis of ordinary shareholders as at 31st March 1997

By category

	Number of shares	Percentage
Individuals	9,539,169	4.40
Investment and Unit Trusts	17,476,890	8.06
Industrial	19,804,634	9.13
Other corporate bodies	24,467,646	11.28
Insurance companies	49,253,054	22.71
Pension funds	96,353,235	44.42
	216,894,628	100.00

By size of holding

	Number of holdings	Percentage	Number of shares	Percentage
1-1,000	4,817	53.00	2,338,890	1.08
1,001-10,000	3,519	38.73	9,046,507	4.17
10,001-100,000	504	5.55	16,475,989	7.60
100,001-1,000,000	204	2.24	64,194,148	29.60
1,000,001-5,000,000	41	0.45	77,663,688	35.80
5,000,001 and over	3	0.03	47,175,406	21.75
	9,088	100.00	216,894,628	100.00

CREST

CREST is the computer based share settlement system designed by the Bank of England to replace the existing Talisman system run by the London Stock Exchange. On 18th November 1996 the company's ordinary and preference shares were admitted into the CREST system.

Corporate Personal Equity Plans

The company has in place both a General and a Single Company Personal Equity Plan for UK residents. For further information please contact the Plan Manager, Bradford & Bingley (PEPs) Limited at PO Box 1, Taunton Street, Shipley, West Yorkshire BD18 3YR (Telephone: 01274 555700).

Share Price Information - UK Taxation

For capital gains tax purposes the mid-market price of the company's ordinary shares on 31st March 1982 was 253 pence.

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Merchant Bankers
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60 London Wall
London EC2M 5TQ

Financial Calendar

1997

27th June

Final ordinary dividend record date

16th July

106th Annual General Meeting (AGM)

4th August

Payment of final dividend subject to declaration at the AGM

1st October

Payment of dividend on 3.5% cumulative preference shares

27th November

Announcement of results for six months ending 30th September 1997

1998

2nd February

Payment of interim dividend on ordinary shares

1st April

Payment of dividend on 3.5% cumulative preference shares

June

Announcement of results for year ending 31st March 1998