

Friday 18th October 2002: Text of JM's press release:

**JOHNSON MATTHEY ACQUIRES CASCADE BIOCHEM**

Johnson Matthey announces that it has acquired Cascade Biochem Limited ("Cascade") a small company focused on the manufacture and supply of prostaglandins and other complex molecules as active pharmaceutical ingredients for the pharmaceutical industry.

Prostaglandins are complex, chiral molecules that have a variety of applications in cardiovascular, ophthalmic and gastrointestinal medicine. Given their high potency, chemical complexity and the difficulty of their synthesis, prostaglandins are very low volume, high value active pharmaceutical ingredients (APIs). Demand is expected to see good growth in the coming years as new prostaglandin based drugs are brought to market and existing drugs come off patent.

Cascade employs 30 people, mainly highly skilled chemists, at its small scale manufacturing facility in Cork, Ireland and at its research and development laboratories on the university campus at Reading, UK. The Cork facility is cGMP compliant and was approved for API manufacture by the US FDA in May 2001.

The initial purchase price of £2.75 million is subject to adjustment, based on the subsequent performance of the Cascade business, up to a maximum of £8.0 million. After taking into account interest costs, the acquisition will make a small contribution to profit before tax, exceptional items and goodwill amortisation in the current financial year.

Commenting on the acquisition Chris Clark, Chief Executive of Johnson Matthey said: "Cascade, with its strong position in an important niche of low volume, high value APIs, is an excellent fit with our existing business. We are delighted to have been able to acquire Cascade and look forward to it contributing to the growth of our Pharmaceutical Materials Division."

*Peroxident Ltd advised the shareholders of Cascade on its sale to Johnson Matthey.*

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