

JOHNSON MATTHEY BANKERS LIMITED

5 LLOYDS AVENUE
LONDON EC3N 3DB
Telephone : 01-481 3181
Telegrams : Mattheyban London Telex
Telex : 884491

Your ref.

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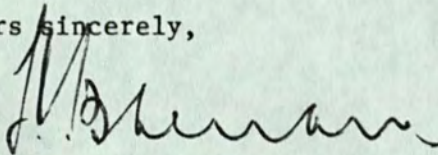
The Rt Hon Dr David Owen, MP
Norman Shaw North Building,
Victoria Embankment,
LONDON SW1

21st December 1984

Dear Doctor Owen,

I thought you would wish to see the enclosed copy letter before it appears in either "The Times" or the "Financial Times", to both of whose editors it has been sent.

Yours sincerely,



PATRICK BRENAN
Finance Director

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The Editor,
The Times,
New Printing House Square,
Gray's Inn Road,
LONDON WC1

21st December 1984

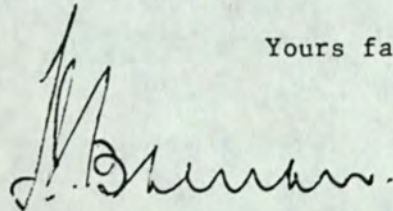
Dear Sir,

In his open letter to the Chancellor of the Exchequer, Dr David Owen sets out some estimates which, he believes, show that the bullion business of Johnson Matthey Bankers Limited has lost money and may continue to do so.

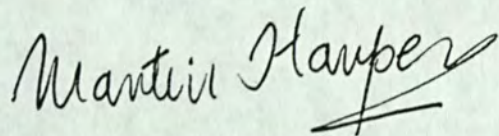
Dr Owen's figures, and therefore his conclusions, are wrong. The newly-appointed directors now have sufficient information to confirm that JMB's bullion business not only has been profitable but remains so. The losses are overwhelmingly attributable to bank lending of poor quality. Lending money is easy. Lending in the confident expectation of punctual repayment is another matter.

The new Board, with able help from the staff and from other banks, is making progress. It would be a great pity if the job were made more difficult by wrong conclusions based on incorrect data.

Yours faithfully,



PATRICK BRENAN



MARTIN HARPER

Directors

Copy to The Rt Hon Dr David Owen, MP