

NEWS RELEASE

Johnson Electric Reports Record Earnings

Financial Results for the Year Ending 31st March 2011

Highlights:

- For the financial year ended 31st March 2011, total sales amounted to US\$2,104 million – an increase of 21% compared to the prior financial year
- Operating profits were US\$236 million – up 113%
- Profit attributable to shareholders increased 136% to a record US\$182 million (4.97 US Cents per share)
- The Group's gearing level remains modest with the debt to total capital ratio declining from 26% to 18%. At year end, the Group's cash reserves amounted to US\$355 million

HONG KONG, 31st May 2011 – Johnson Electric Holdings Limited (“Johnson Electric”), a global leader in motion systems and micromotors, today announced its results for the 12 months ended 31st March 2011.

Sales for the 2010-11 financial year were US\$2,104 million, net earnings US\$182 million, and earnings per share 4.97 US Cents.

The Board has recommended a final dividend of 0.77 US Cents per share (compared to 0.64 US Cents per share for prior financial year), which together with the interim dividend of 0.39 US Cents per share, represents a total dividend of 1.16 US Cents per share.

Sales Performance

The 21% increase in total sales to US\$2.1 billion reflected a sustained recovery in demand from European and North American customers and continued growth in emerging markets, particularly China. All of the Group's core business units achieved positive sales improvements.

The Automotive Products Group ("APG"), the largest operating division, achieved sales of US\$1,150 million – an increase of 23% compared to a year earlier. The major growth driver was China's continued emergence as the world's largest automotive market where Johnson Electric has established a leading position in several motion subsystem and component categories. Sales to European customers benefited from the recovery in global demand for luxury vehicles, which typically utilise above average numbers of our Company's products, and this more than offset the effects of the ending of government-led stimulus programs. The North American automotive industry also enjoyed a positive rebound in demand though the rate of growth slowed somewhat in the second half of the year as overall sales volumes stabilised and to some extent began to be affected by rising gasoline prices.

The Industry Products Group ("IPG") recorded sales of US\$727 million – an increase of 26% compared to the prior year. The division's sales benefited from successful new product launches and market share gains in domestic appliances, power equipment, and entertainment and gaming applications. In addition, the motor actuators, solenoids and switches business units all made significant advances as a result of the efforts to streamline and re-focus these businesses over the past two years. Overall, IPG's performance was especially encouraging in light of the fact that weak housing markets and high unemployment levels in several markets continue to dampen consumer confidence.

Other manufacturing businesses within the Group contributed a combined US\$227 million to total sales – an increase of 9% over the prior year.

A Return to Double Digit Operating Profit Margins

The significant improvement in the Group's profit levels reflected a mix of business-specific factors and an external operating environment that changed rapidly over the course of the past twelve months.

Gross profit increased by 20% to US\$580 million compared to the prior year due to the combination of higher sales volumes, better capacity utilisation, and product mix changes, which was offset in part by a steep rise in direct labour rates in China and increased raw materials expenses. Management is actively working to implement appropriate price increases targeted to address these inflationary cost pressures. Since there is typically a lag effect to amending the terms of sale in many sectors where Johnson Electric operates, these higher input costs (combined with a strengthening of the Chinese Renminbi and Swiss Franc relative to the US Dollar) caused gross margins to decline in the second half of the financial year.

At the operating profit level, the Group was no longer heavily burdened with the restructuring charges that had reduced profitability in the prior year. Continued tight control of Sales and Administrative expenses combined with generally positive year-on-year changes to a number of non-recurring or non-operational items, resulted in operating profit margins increasing from 6.4% to 11.2%.

Chairman's Comments on Results and Outlook

Commenting on the annual results, Patrick Wang, Chairman and Chief Executive, said, "The Group has made excellent progress over the past twelve months and I am confident that Johnson Electric's business overall is in a strong position to achieve further gains."

"Nonetheless, the near-term operating environment presents a real challenge. Although customer demand is presently holding up relatively well in the context of high oil prices, political turmoil in the Middle East, and stubbornly high unemployment in several western economies, we cannot expect a repeat of the "recovery" effect on sales growth rates in the year ahead. The effect of high raw material costs is also requiring a significant effort to renegotiate prices and drive for further efficiency gains."

“We are optimistic that, over time, our increasing emphasis on technological innovation, quality, and assurance of supply will generate an attractive and enduring return on the investments we are making.”

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About Johnson Electric Group

The Johnson Electric Group is a global leader in motion products, control systems and flexible interconnects. It serves a broad range of industries including automotive, home technologies, domestic appliances, power tools, office products, industrial equipment, consumer goods, medical devices and infrastructure automation. The Group is headquartered in Hong Kong and the total global headcount including contract employees now stands at over 44,000 individuals in over 23 countries. Innovation and product design centres are located in Hong Kong, China, Switzerland, Germany, Italy, Israel, Japan, the UK and the USA. Johnson Electric Holdings Limited is listed on the Hong Kong Stock Exchange (code 179). For further information, please visit: www.johnsonelectric.com

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Attached to this press statement is a summary of Johnson Electric Holdings' consolidated income statement for the 12 months ended 31st March 2011. The full text of the preliminary results announcement including the Chairman's statement is available through the company's website at www.johnsonelectric.com

JOHNSON ELECTRIC HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT

	12 Months Ended 31st March		
	2011 US\$M	2010 US\$M	% change
Sales	2,104.0	1,741.0	+21%
Cost of goods sold	(1,524.3)	(1,259.5)	+21%
Gross profit	579.7	481.5	+20%
Other income and gains/(losses)	14.8	5.7	+160%
Selling and administrative expenses	(358.4)	(350.8)	+2%
Restructuring provision and assets impairment	(0.4)	(25.8)	-98%
Operating profit	235.7	110.6	+113%
Finance costs, net	(9.4)	(6.8)	+38%
Share of profits/(losses) of associate	0.1	(0.1)	+200%
Profit before income tax	226.4	103.7	+118%
Income tax expenses	(36.1)	(16.3)	+121%
Profit for the year	190.3	87.4	+118%
Non-controlling interests	(8.6)	(10.4)	-17%
Profit attributable to shareholders	181.7	77.0	+136%
Basic and diluted earnings per share (in US Cents)	4.97	2.10	+137%

The consolidated income statement for the 12 months ended 31st March 2010 has been restated to reflect the amendment of Hong Kong Financial Reporting Standards relating to deferred income taxes on investment properties. The change reduced the deferred tax liability and therefore increased the net profit by US\$1.5 million.