

NEWS RELEASE

Johnson Electric reports results for year ended 31st March 2012

Highlights of 2011/12 Results

- For the financial year ended 31st March 2012, total sales amounted to US\$2,141 million – an increase of 2% compared to the prior financial year. Excluding the one-time effects of the disposal of a non-core business that occurred during the year and the in-sourcing of a distribution channel in Germany, underlying sales increased by over 5%
- Operating profits before restructuring and asset impairment charges were US\$234 million or 11% of sales
- Free cash flow from operations amounted to US\$166 million
- Net profit attributable to shareholders increased to a record US\$187 million, an increase of 2.7%
- Earnings per share increased by 3.8% to 5.16 US cents
- The Board has recommended increasing the final dividend to 7 HK cents (0.9 US cents) per share, which together with the interim dividend of 3 HK cents (0.38 US cents) per share, represents a total dividend of 10 HK cents (1.28 US cents) per share – an 11% increase in total dividends for the year

HONG KONG, 17th May 2012 – Johnson Electric Holdings Limited (“Johnson Electric”), a global leader in motion subsystems and micromotors, today announced its results for the financial year ended 31st March 2012.

Sales for 2011/12 financial year totaled US\$2,141 million, an increase of 2% over the prior financial year. Profit attributable to shareholders increased by 2.7% to a record US\$187 million. Earnings per share increased by 3.8% to 5.16 US cents.

The 2% increase in total sales to US\$2.1 billion reflected the combination of strong demand from automotive customers offset by lower sales to industrial customers in some market segments and the one-time effects of the divestment of a non-core business and changes to our distribution channels in Germany.

The Automotive Products Group (“APG”), the largest operating division, achieved sales of US\$1,273 million – an increase of 11% compared to a year earlier. Each of APG’s three major geographic markets reported healthy growth, with the strongest performance being in the Americas. The US auto market is presently experiencing its highest level of new vehicle sales in over four years driven by demand for more fuel-efficient vehicles and pent-up demand for replacements. Sales to European-based automotive customers also grew despite the severe economic downturn in the region that has resulted in sharply reduced new vehicles sales in many countries. In Asia, APG delivered another year of positive growth as a result of its strong market positions in China and South Korea.

The Industry Products Group (“IPG”) saw sales decline by 5% to US\$754 million. On the one hand, the industrial components business units (comprising motor actuators, solenoids, and switches) achieved a positive sales performance due to their ability to deliver unique technology solutions for specific industrial product applications such as remote disconnect metering and valves for boilers and HVAC systems. On the other hand, business units

targeted at more traditional motor applications such as domestic appliances, printers and power tools experienced weaker sales.

On the cost side, a key feature of the past year for global industrial manufacturing businesses has been persistently high raw material prices and further steep rises in direct labour rates in China where the largest portion of the Group's manufacturing capacity is located. Adding to these significant challenges was the sharp appreciation of the Swiss Franc which inflated the cost base of another important centre of production for Johnson Electric in Switzerland.

Management has responded to these severe inflationary pressures in a very creditable manner through a combination of initiatives that included operating efficiency gains, redesigned products, selective price increases, and an ongoing effort to reshape and rebalance the Group's global manufacturing footprint to provide a more "natural hedge" against foreign currency volatility. As a result, overall gross profit margins were 27.3% of sales (compared to 27.6% in FY2010/11).

The Group also announced plans to close a production facility and in-source a distribution channel in Germany, with the aim of improving the overall effectiveness of its operations in Europe. Complementing these changes, Johnson Electric opened a new application testing and validation centre in Stuttgart to provide a broader and deeper level of technical support and service to its customers in the region.

Restructuring and asset impairment charges primarily related to rationalising manufacturing facilities, plus the effect of changes to our distribution arrangements in Germany together constituted US\$16 million in pre-tax items that reduced reported operating profit and net profit for the year. Excluding these significant nonrecurring items affecting the comparability of the year-on-year results, operating margins were 11.1% of sales (compared to 11.2% in FY2010/11).

The Group's overall financial condition remains robust with consistently strong operating cash flow. Borrowings were further reduced during the period and, taking into account cash reserves of US\$385 million, the Group's total debt to capital ratio was 12% as at 31st March 2012.

The Directors have today recommended increasing the final dividend to 7 HK cents (0.9 US cents) per share, which together with the interim dividend of 3 HK cents (0.38 US cents) per share, represents a total dividend of 10HK cents (1.28 US cents) per share – an 11% increase in total dividends for the year.

Chairman's Comments on Results and Outlook

Commenting on the annual results, Patrick Wang, Chairman and Chief Executive, said, "I am pleased to report that Johnson Electric achieved a second successive year of record profits in what continues to be an unpredictable and tough operating environment for global manufacturing businesses."

"Since the onset of the Global Financial Crisis in 2008, management has been focused on streamlining and refocusing the Group's activities to achieve two primary objectives. First, we are committed to maintaining healthy operating margins across our businesses through the combination of ongoing operational efficiency improvements and disciplined pricing. Second, we have reinvigorated our new product development and go-to-market processes with a stream of innovative new products targeted at motion applications that offer the greatest potential for sustained growth and value creation over the longer term."

Discussing the Group's prospects, he said: "The near-term prospects for demand are difficult to predict given the significant macro-economic and political uncertainties that exist in most of the key geographies where we operate. With unemployment levels in the

Eurozone now at record highs and government-imposed austerity programs causing many businesses and consumers to reduce expenditures, a rapid turnaround in the region's economy seems improbable. On the other hand, the recent sign of a pick-up in US economic activity is clearly a positive development – although it remains to be seen how sustainable this will be through the course of 2012. And in China, the world's largest market for automobiles and for many other industrial and consumer goods, the economy is entering a period of slower growth though still at levels that most other countries would envy.”

“While our business cannot be immune to the state of global economy, Johnson Electric is actively pursuing a strategy that we believe will deliver and sustain healthy results over the medium and longer term. Our new product pipeline is strong. Our global manufacturing platform is unrivalled in our industry with the further addition of a new plant in Mexico to come in late 2012. And our people remain committed to driving for improved efficiency, quality and reliability in every area of our operations.”

* * * *

About Johnson Electric Group

The Johnson Electric Group is the global leader in motion subsystems, including motors, solenoids, switches and flexible interconnects. It serves a broad range of industry segments including automotive, building automation and security, business machines, defense and aerospace, food and beverage, home technologies, HVAC, industrial equipment, medical devices, personal care, power equipment and power tools. The Group is headquartered in Hong Kong and the total global headcount including contract employees stands at approximately 38,000 individuals in over 23 countries. Innovation and product design centres are located in Hong Kong, China, Switzerland, Germany, Italy, Israel, Japan, UK and USA. Johnson Electric Holdings Limited is listed on The Stock Exchange of Hong Kong Limited (code 179). For further information, please visit: www.johnsonelectric.com.

For more information, please contact:

CT Hew, Hew & Associates

Tel : (852) 2522 7928

Mobile: (852) 9132 8828

Fax : (852) 2522 7918

Email : ct.hew@hewassociates.com

Shelley Yang, Hew & Associates

Tel : (852) 2522 7928

Mobile: (852) 5307 3377

Fax : (852) 2522 7918

Email : shelley.yang@hewassociates.com

Attached to this media release is a summary of Johnson Electric Holdings Limited's consolidated income statement for the year ended 31st March 2012. The full text of the annual 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
FOR THE YEAR ENDED 31ST MARCH**

	2012 US\$M	2011 US\$M	% change
Sales	2,140.8	2,104.0	+2%
Cost of goods sold	(1,556.4)	(1,524.3)	+2%
Gross profit	584.4	579.7	+1%
Other income and gains	18.3	14.8	
Selling and administrative expenses	(368.6)	(358.4)	
Restructuring costs and assets impairment	(13.0)	(0.4)	
Operating profit	221.1	235.7	-6%
Finance income	5.8	3.6	
Finance costs	(6.9)	(13.0)	
Share of profits of associate	0.5	0.1	
Profit before income tax	220.5	226.4	-3%
Income tax expenses	(31.6)	(36.1)	
Profit for the year	188.9	190.3	-1%
Less: Profit attributable to non-controlling interests	(2.2)	(8.6)	
Profit attributable to owners	186.7	181.7	+3%
Basic earnings per share (in US cents)	5.16	4.97	+3.8%
Diluted earnings per share (in US cents)	5.15	4.97	+3.6%

Note: The full text of the annual results announcement including the Chairman's Statement is available through the Company's website at www.johnsonelectric.com.