

# NEWS RELEASE

# Johnson Electric Reports Business and Unaudited Financial Information for the First Quarter of Financial Year 2015/16

HONG KONG, 8 July 2015 – This news release is made by Johnson Electric Holdings Limited ("Johnson Electric" or the "Company") for the business operations and selected unaudited financial information of the Company and its subsidiaries (the "Group") for the quarter ended 30 June 2015.

The Board of Directors of the Company considers the publication of quarterly performance updates to be consistent with international corporate disclosure best practice. The objective of this news release is to provide transparency and to ensure that investors and potential investors receive equal access to the same information at the same time.

The Group's sales for the quarter ended 30 June 2015 were US\$526 million, a decrease of US\$22 million from the same quarter last year. Excluding currency effects, sales increased by 3.5%, approximately US\$19 million, compared to the same quarter last year.

The underlying changes in sales, excluding currency effects, compared to the same quarter last year were as follows:

- By Business:
  - Automotive Products Group ("APG") increased by 6.8%
  - Industry Products Group ("IPG") decreased by 3.8%
- By Region:
  - Asia increased by 0.4%
  - Europe increased by 5.7%
  - Americas increased by 4.0%

**Automotive Products Group:** Excluding currency effects, APG's sales for the quarter ended 30 June 2015 increased by 6.8%, approximately US\$26 million, compared to the same quarter last year. This sales growth was largely driven by increased demand for products for powertrain cooling, heating, ventilation and air-conditioning ("HVAC") and engine air management applications. This was slightly offset by lower sales of products for seat adjustment applications.

**Industry Products Group:** Excluding currency effects, IPG's sales for the quarter ended 30 June 2015 declined by 3.8%, approximately US\$6 million, compared to the same quarter last year. The decline in sales of products for food preparation, power tool and business machine applications, largely in Asia, was partially offset by growth in demand for products for lawn and garden, smart meter and circuit breaker, and medical applications.

Commenting on the first quarter's sales performance, the Chairman and Chief Executive, Dr. Patrick Shui-Chung Wang, said, "Johnson Electric has made a solid start to the 2015/16 financial year with underlying sales, excluding foreign currency effects, growing 3.5% compared to the prior year. The performance of our Automotive Products Group, the Group's largest operating division, was particularly pleasing with underlying sales growing by almost 7%. Partially offsetting this increase was a weaker first quarter sales performance of the Industry Products Group, which saw underlying sales decline by approximately 4% largely due to competitive price pressures within more commoditised product applications in the Asia region."

Dr. Wang further commented: "Notwithstanding the negative impact of foreign exchange rate movements, particularly the Euro compared to the US Dollar, the Group's financial condition is very strong and our core strategic initiatives to drive new product innovation and strengthen our global operating footprint are on track. In addition to these organic growth initiatives, we are continuing to evaluate potential acquisitions that can bring complementary technologies to Johnson Electric and strengthen our position in key markets."

#### **Cautionary Statement**

Shareholders and potential investors in the Company are reminded that the information provided in this news release, including information related to the expected outlook for the full year, is based on the Group's unaudited internal records and management accounts. This information has not been reviewed or audited by the Company's auditors.

Shareholders and potential investors should exercise caution when dealing or investing in the shares of the Company.

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### About Johnson Electric Group

The Johnson Electric Group is a global leader in motion subsystems. It serves a broad range of industries including automotive, building automation and security, business machines, food and beverage equipment, 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 stood at close to 36,000 across Asia, the Americas and Europe. 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 Stock Exchange of Hong Kong Limited (Stock Code: 179). For further information, please visit: www.johnsonelectric.com.

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