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## **Johnson Electric Holdings Limited**

(Incorporated in Bermuda with limited liability)

(Stock Code: 179)

### **ANNOUNCEMENT**

#### **BUSINESS AND UNAUDITED FINANCIAL INFORMATION FOR THE FIRST QUARTER OF FINANCIAL YEAR 2013/14**

This announcement 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 three months ended 30th June 2013.

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 announcement 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 three months ended 30th June 2013 were US\$517 million, down US\$6 million from the same period last year. Excluding nonrecurring items and currency effects, the Group's sales declined by US\$6.5 million (1.3%) compared to the same period last year. Nonrecurring items comprised the insourcing of a European distribution channel in April - May 2012 and the disposal of a noncore business (the Controls business) in February 2013.

The underlying changes in sales, excluding nonrecurring items and currency effects, compared to the same period last year, were as follows:

- By Business:
  - Automotive Products Group ("APG") increased by 2.3%
  - Industry Products Group ("IPG") declined by 8.0%
  
- By Region:
  - Asia declined by 7.0%
  - Europe increased by 2.1%
  - Americas increased by 1.5%

APG provides custom motors, actuators, switches and motion subsystems that address the automotive industry's needs for fuel economy, emissions reduction, safety and passenger comfort. Excluding nonrecurring items and currency effects, APG's sales for the three months ended 30th June 2013 increased by US\$8 million (2.3%) compared to the same period last year.

APG's sales growth was largely driven by increased demand for our powertrain cooling systems across Europe and the Americas; in Asia too, demand remains strong although revenues for these products were slightly lower in the first quarter of this year as compared to the previous quarter due to temporary timing differences. In the Americas, revenue increased as we benefited from growth in vehicles sales, resulting in an increased demand across several product lines. This growth was further complemented by new product launches. Globally, sales benefited due to launches of platforms resulting in increased demand across many product segments notably those for the heating, ventilation and air conditioning ("HVAC") and engine fuel management applications.

IPG provides motion products and customised subsystems for numerous industries and applications including business machines, food and beverage, home technologies, HVAC, industrial equipment, home entertainment and gaming, power tools, personal care, power equipment and medical devices. Excluding nonrecurring items and currency effects, IPG's sales for the three months ended 30th June 2013, declined by US\$14 million (8.0%) compared to the same period last year.

In IPG, sales of products for applications such as high-end domestic appliances, medical equipment, and distribution grew due to their ability to deliver unique technology solutions. However, products for applications in certain market segments such as home entertainment and gaming, food and beverage, HVAC, and power tools experienced weaker sales due to poor consumer confidence or intense price competition in recent years. Accordingly, IPG continues to reposition its business by exiting from applications that cannot meet our profitability expectations, and focusing on specific products and customers where our technology and solution capabilities are sufficiently differentiated, and so provide reasonable financial returns.

Concerning the outlook for the current financial year, the Chairman and Chief Executive, Dr. Patrick Shui-Chung Wang, said, "Johnson Electric continues to perform satisfactorily in what remains a highly unpredictable and challenging macro-economic environment. We continue to see a very positive customer response to new product introductions, but in a number of lower-end applications we are experiencing keen price competition. Overall, current trading levels are not significantly changed from the prior quarter."

### **Cautionary Statement**

Shareholders and potential investors in the Company are reminded that the information provided in this announcement, 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 auditor.

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

### **Board of Directors**

As of the date of this announcement, the Board of Directors comprises Patrick Shui-Chung Wang, Winnie Wing-Yee Wang, Austin Jesse Wang, being the Executive Directors, and Yik-Chun Koo Wang, Peter Kin-Chung Wang, being the Non-Executive Directors, and Peter Stuart Allenby Edwards, Patrick Blackwell Paul, Michael John Enright and Joseph Chi-Kwong Yam, being the Independent Non-Executive Directors.

By Order of the Board  
**Johnson Electric Holdings Limited**  
**Lai-Chu Cheng**  
*Company Secretary*

Hong Kong, 11th July 2013

*Johnson Electric is one of the constituent stocks on the Hang Seng Composite MidCap Index under the Hang Seng Composite Index, the Bloomberg World Index and the S&P Europe Pacific Asia Composite (EPAC) SmallCap Index. For further information, please visit: [www.johnsonelectric.com](http://www.johnsonelectric.com).*