
PRESS RELEASE

Johnson Electric Reports Results For Financial Year 2002

Highlights:

- Total sales were US\$774 million; a decrease of 2% compared to the 2001 financial year
- Operating profits before interest, tax and share of losses from joint venture and associated companies were US\$133 million; down 4%
- Net earnings were down 24% to US\$111 million – largely due to factors outside the Group’s primary operating businesses, including losses from joint venture and associated companies, as well as higher tax charges
- Earnings per share were US3.02 cents
- Net cash inflow from operations increased by 5% to a record of US\$165 million
- Excluding acquisitions, sales for the first two months of 2002/03 current financial year were up more than 20% on prior year comparable levels

HONG KONG, 11th June 2002 – Johnson Electric Holdings Limited (“Johnson Electric”), today announced its results for the 12 months ended 31st March 2002 and reported improving current trading conditions.

Sales for the financial year 2001/02 were US\$774 million, net earnings US\$111 million, and earnings per share US3.02 cents. The 2 per cent decrease in year-on-year sales reflected the unprecedented weakness in the global manufacturing sector that depressed demand for the Group’s micromotors and motor systems. Although Johnson Electric managed to achieve record operating cash inflow, its net earnings declined by 24%, largely as a result of factors outside the Group’s primary operating businesses, including losses from joint venture and associated companies, as well as higher tax charges.

Commenting on the results, Patrick Wang, Chairman and Chief Executive of Johnson Electric, said, "In these exceptionally difficult market conditions, Johnson Electric's financial performance was solid though well below the levels we are striving for on an on-going basis.

"Looking forward, there are encouraging indications of an improvement in trading conditions in the first months of the current financial year 2002/03 which should, if recent sales trends continue, result in a significant improvement in future earnings. Excluding contributions from acquisitions last year, the Group's sales for the months of April and May, 2002 were more than 20% above the comparable two months in 2001 and we are seeing particularly positive signals in terms of customer orders for our newer product lines. However, with ten months of the current financial year still to go, we would caution against trying to extrapolate a full year's sales forecast from these early indications of a pick-up in customer demand."

Dividends

The Board has recommended a final dividend of 0.94 US cents per share, which together with the interim dividend of 0.38 US cents per share, represents a total dividend of 1.32 US cents (2001 – 1.32 US cents).

Business Segment and Financial Highlights

The Automotive Division, which contributes more than 60% of the Group's sales, recorded a 4% increase in total revenue to US\$482 million as a result of the contributions from acquisitions completed during the year. Excluding these acquisitions, automotive revenues declined by just over 7%.

The Commercial Motors Division, which supplies micromotors to non-automotive customers in a number of product application segments, saw its sales decline by 11% to US\$292 million.

The Group's joint venture and associated companies incurred higher losses than in the prior year. The Nidec Johnson Electric joint venture in the audio-visual motor sector has taken longer than expected to achieve break-even in a difficult market environment in Japan. Similarly, the Brushless Technology Motors associated company in Italy, which is

an investment in building expertise in a specific area of motors technology, has necessitated a restructuring in its business and revised pricing agreements with customers in order to put the venture on a more stable footing. Management actions have been initiated that are expected to result in a marked improvement in the financial performance of these businesses in the current financial year.

Net earnings were significantly affected by the year-on-year change in the Group's tax position. In the prior year, Johnson Electric benefited from a net taxation credit of US\$9 million. For 2001/02, however, the Group returned to a more typical level of taxation charge on profits of over US\$15 million – effectively a change of approximately US\$24 million compared to the previous year.

FINANCIAL HIGHLIGHTS

	2002	2001	% change
	US\$m	US\$m	
Turnover	774	790	-2
Profit before taxation	126	136	-7
Profit attribution to shareholders	111	145	-24
Shareholders' fund	556	502	11
Earnings per share (US cents)	3.02	3.96	-24
Dividend per share (US cents)	1.32	1.32	-

- End -

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