

NEWS RELEASE

Johnson Electric results for the half year ended 30th September 2015

Highlights of 2015/16 Half-Year Results

- Group sales US\$1,022 million – down 5% compared to the first half of prior financial year. Excluding currency effects, sales increased by 2%
- Gross profit margin decreased to 27.6% from 30.2%
- EBITDA US\$163 million or 16.0% of sales (15.9% in prior year)
- Operating margin 11.2% (11.6% in prior year)
- Net profit attributable to shareholders down 11% to US\$98 million or 11.1 US Cents per share on a fully diluted basis
- Total debt to capital ratio of 13% and cash reserves of US\$678 million as of 30th September 2015
- Interim dividend increased by 7% to 15 HK Cents per share (1.92 US Cents per share)
- Acquisition of Stackpole International completed on 27th October 2015

HONG KONG, 4th November 2015 – Johnson Electric Holdings Limited (“Johnson Electric”), a global leader in electric motors and motion subsystems, today announced its results for the six months ended 30th September 2015.

Group sales for the first half of the 2015/16 financial year totaled US\$1,022 million, a decrease of 5% over the first half of the prior financial year. Excluding currency effects, underlying sales increased by 2%. Net profit attributable to shareholders decreased 11% to US\$97.8 million or 11.1 US Cents per share.

The Group's business strategy of strengthening its technology capabilities and expanding its global operating footprint continues to make excellent progress. During the first half, Johnson Electric announced the acquisition of Stackpole International, a leading manufacturer of highly-engineered pumps and powder metal components, as well as the opening of a second manufacturing facility in Mexico. Notwithstanding the difficult current macro-economic environment, these and other strategic initiatives are positioning Johnson Electric for sustained success.

Overview of Financial Results

The Automotive Products Group ("APG"), which contributed over two-thirds of total sales, increased sales by 5% on a constant currency basis compared to the first half of the prior year. The division continues to perform well overall with particularly encouraging underlying performances achieved in the Engine & Transmission, Powertrain Cooling and Actuation Systems business units. However, the significant market presence that these businesses enjoy in Europe means that their reported sales were negatively affected by the weak Euro compared to the US Dollar. During the second quarter of the financial year, APG's sales to Asian based customers also showed signs of softening as the slowdown in China's economy and other developing economies began to impact automotive sales volumes.

In the face of an especially challenging market in China, sales of the Industry Products Group ("IPG") declined by 4% in constant currency terms compared to the same period in the prior year. End-market demand for many of our customers' products remains rather tepid and this combined with intense price competition for lower-end product applications resulted in a disappointing performance by IPG's Asian-based business units. On the other hand, those business units focused on more technology-differentiated motion solutions, including MedTech and Meter & Circuit Breakers, fared much better and recorded healthy double-digit sales increases.

Significant productivity improvements and lower raw material costs helped to minimise the negative impact of reduced sales revenue and higher wage rates, particularly in China. The investment in building out our manufacturing footprint in Mexico and Eastern Europe is also acting as a drag on near term profitability as anticipated. As a result, gross margins in the period declined to 27.6% from 30.2%

in the first half of the prior year. A reduction in selling and administrative costs combined with gains from foreign currency hedging and increased other income resulted in operating profits of US\$114.9 million or 11.2% of sales (11.6% in the prior year).

Johnson Electric maintained its strong financial condition with a total debt to capital ratio of 13% and cash reserves of US\$678 million as of 30th September 2015.

Increased Interim Dividend

The Directors have today declared a 7% increase in the interim dividend to 15 HK Cents per share, equivalent to 1.92 US Cents per share (2014 interim: 14 HK Cents per share). This is consistent with the previously announced intention to increase gradually the ratio of interim dividends such that it represents approximately one-third of the prior financial year's total dividends paid. The interim dividend will be payable on 6th January 2016 to shareholders registered on 28th December 2015.

Acquisition of Stackpole International

In August 2015, Johnson Electric announced plans to acquire Stackpole International, a leading manufacturer of highly-engineered automotive engine and transmission pumps and powder metal components. The transaction, which valued Stackpole at C\$800 million on an enterprise value basis, was completed on 27th October 2015 and was financed by a combination of Johnson Electric's cash balances and existing revolving credit facilities.

Improving fuel economy and reducing emissions are pivotal drivers of automotive technology today – and Johnson Electric is a market leader in supplying key motion subsystems to support these imperatives. The addition of Stackpole's pumps technology and powder metal expertise is an excellent fit that will enable the Group to provide integrated motorised pumps to customers in a rapidly growing market for electrically controlled solutions in engine and transmission applications. In addition, the acquisition significantly increases Johnson Electric's exposure to the North American automotive market which is presently experiencing strong demand.

Chairman's Comments on Results and Outlook

Commenting on the first half results, Dr. Patrick Wang, Chairman and Chief Executive, said, "Johnson Electric recorded somewhat weaker financial results for the six month period ended 30th September 2015 against a backdrop of adverse foreign currency movements and a weakening global economic environment."

"In the face of such difficult conditions, Johnson Electric remains focused on those parts of the business where management has a reasonable degree of influence. First, this means directing our energies to serving customers whose products are aligned to the key underlying trends that will drive long-term consumer demand – including the imperatives to reduce emissions, lower fuel consumption, improve health and safety, and increase mobility and controllability. Second, it requires a relentless effort to improve efficiency and continue to eliminate waste from our operations. Third, we are aggressively expanding a global operating footprint that provides greater customer responsiveness and reduced exposure to foreign currency volatility or single country risk. And lastly, it means continuing to invest in building a team of people who are committed to making our customers successful and to growing a world-class company that can share in that success."

Concerning the outlook for the remainder of the current financial year, Dr. Wang commented, "We expect underlying sales levels to be broadly similar to the first half with the weak Euro and slowdown in China's economy continuing to exert pressure on both the top and bottom lines. Full year results will also include a five month contribution from the acquisition of Stackpole International and consequently will be affected by one-time transaction expenses. We look forward to Stackpole making a positive impact on the Group's earnings base over time."

"Looking further ahead, I remain confident that despite the challenging operating environment Johnson Electric is pursuing a strategy that will strengthen its competitive position and form the basis for an improved long-term growth and profit trajectory."

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About Johnson Electric Group

The Johnson Electric Group is the global leader in electric motors and 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 stands at over 37,000 individuals located in Asia, the Americas and Europe. Innovation and product design centres are located in Hong Kong, China, Canada, 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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Note to Editors and Securities Analysts: The full text of the Half-Year Results announcement, including additional financial information, is available through the Investor Relations section of Johnson Electric's website at www.johnsonelectric.com.