Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 179)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31ST MARCH 2009

HIGHLIGHTS

- For the financial year ended 31st March 2009, total sales were US$1,828 million
- Operating cash flow from continuing operations amounted to US$260 million
- Operating profit from continuing operations, after restructuring costs and asset impairment charges of US$19 million, amounted to US$47 million
- Losses from discontinued operations amounted to US$31 million
- Net earnings attributable to shareholders, including losses incurred in discontinued operations, amounted to US$2.6 million or 0.07 US cents per share. Excluding losses from discontinued operations, earnings amounted to 0.92 US cents per share
- Net debt as a percentage of total equity was 23% compared to 26% a year earlier. At year end, the Group's cash and cash equivalent reserves amounted to US$302 million

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The Directors announce that the audited consolidated profit attributable to equity holders for the year ended 31st March 2009 was US$2,591,000, a decrease of 98% over the corresponding year in 2008.

FINANCIAL RESULTS

The audited consolidated profit and loss account for the year ended 31st March 2009 together with comparative figures for the corresponding year in 2008 is set out below:

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31st March 2009

	Note	**2009 US$'000**	2008 US$'000
Sales	2	**1,828,165**	2,220,792
Cost of goods sold		**(1,402,468)**	(1,656,452)
Gross profit		**425,697**	564,340
Other (losses)/income and gains		**(6,600)**	17,701
Selling and administrative expenses		**(353,439)**	(369,239)
Restructuring provision and assets impairment	3	**(18,789)**	(23,986)
Operating profit	4	**46,869**	188,816
Finance costs, net		**(9,603)**	(18,745)
Share of profits of associated companies		**128**	117
Profit before income tax		**37,394**	170,188
Tax income/(expenses)	5	**443**	(31,939)
Profit for the year from continuing operations		**37,837**	138,249
Discontinued operations			
Loss from discontinued operations	6	**(31,137)**	-
Profit for the year		**6,700**	138,249
Attributable to:			
Equity holders of the Company		**2,591**	130,849
Minority interests		**4,109**	7,400
		6,700	138,249
Dividends	7	**-**	67,353
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in US cents per share)			
-From continuing operations	8	**0.92**	3.57
-From discontinued operations		**(0.85)**	-
		0.07	3.57

CONSOLIDATED BALANCE SHEET
As at 31st March 2009

	Note	2009 US$'000	2008 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**368,143**	409,864
Investment properties		**37,025**	38,978
Leasehold land and land use rights		**23,170**	22,462
Intangibles		**662,094**	775,162
Associated companies		**1,672**	1,920
Deferred income tax assets		**36,463**	28,892
Available-for-sale financial assets		**3,525**	5,833
Other financial assets at fair value through profit or loss		**9,039**	8,813
		1,141,131	1,291,924
Current assets			
Stocks and work in progress		**202,772**	269,924
Trade and other receivables	9	**272,376**	505,561
Other financial assets		**6,385**	15,111
Income tax recoverable		**8,159**	4,126
Pledged deposits		**17,122**	-
Bank balances and cash		**302,002**	268,031
		808,816	1,062,753
Current liabilities			
Trade and other payables	10	**225,952**	352,286
Current income tax liabilities		**12,937**	25,642
Other financial liabilities		**15,986**	24,979
Borrowings		**1,082**	37,796
Provisions and other liabilities		**20,167**	30,003
		276,124	470,706
NET CURRENT ASSETS		**532,692**	592,047
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,673,823**	1,883,971
Non-current liabilities			
Borrowings		**527,827**	526,686
Other financial liabilities		**22,426**	84,639
Deferred income tax liabilities		**80,863**	96,500
Provisions and other liabilities		**44,559**	43,216
		675,675	751,041
NET ASSETS		**998,148**	1,132,930
EQUITY			
Share capital and share premium		**78,441**	77,704
Reserves		**885,965**	978,080
Proposed dividends		**-**	46,158
		964,406	1,101,942
Minority interests		**33,742**	30,988
TOTAL EQUITY		**998,148**	1,132,930

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
For the year ended 31st March 2009

	2009	2008
	US$'000	US$'000
Exchange (losses)/gains on translation of foreign subsidiaries and associated companies	**(79,641)**	110,199
Fair value (losses) on hedging instruments	**(11,050)**	(13,875)
Deferred income tax (expenses)/income on fair value change on hedging instruments	**(638)**	2,747
Actuarial (losses) of defined benefit plans	**(5,872)**	(6,688)
Gain on revaluation of property, plant and equipment transferred to investment properties	**3,338**	4,346
Available-for-sale financial assets:		
- fair value (losses)	**(938)**	(660)
- release of reserves upon impairment	**608**	-
- release of reserves upon disposal	**173**	(159)
Deferred income tax effect on actuarial losses of defined benefit plans	**781**	2,977
Deferred income tax expense on revaluation of property, plant and equipment transferred to investment properties	**(387)**	(760)
Capital reserve released on disposal of subsidiaries	**-**	(45)
Net (expenses)/income recognised directly in equity	**(93,626)**	98,082
Profit for the year	**6,700**	138,249
Total recognised (expenses)/income for the year	**(86,926)**	236,331
Attributable to:		
Equity holders of the Company	**(91,753)**	226,602
Minority interests		
Share of profit for the year	**4,109**	7,400
Exchange gains on translation of foreign subsidiaries	**718**	2,329
	(86,926)	236,331

Notes:

1. Principal accounting policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). The consolidated financial statements have been prepared under the historical cost convention except that available-for-sale financial assets, financial assets and financial liabilities (including financial instruments) at fair value through profit or loss, and investment properties are carried at fair value.

In 2008/09, the Group adopted the new / revised standards and interpretations of HKFRS below, which are relevant to its operations. The adoption of new / revised HKAS did not result in substantial changes to the Group's accounting policies.

HK(IFRIC)-Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
HKAS 39 and IFRS/HKFRS 7	Amendment to Financial instruments : Recognition and measurement and related amendment to Financial instruments : Disclosures

In summary:

- HK(IFRIC) Int 14, 'HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction', provides guidance on assessing the limit in HKAS 19 on the amount of the surplus that can be recognized as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This interpretation does not have any impact on the Group's accounts.

- HKAS 39 and IFRS/HKFRS 7 – It permit the reclassification of certain financial assets out of the held-for-trading and available-for-sale categories if specified conditions are met and disclosure requirements. This amendment does not have any impact on the Group's financial statements, as the Group has not reclassified any financial assets.

2. Segment information

(a) Primary reporting format - business segments

Turnover of the Group consists of sales of goods.

The principal operations of the Group are the manufacture, sale, and trading of motors, electromechanical components, motion systems and sub-systems, and materials. The manufacturing segment comprised Automotive Products Group (APG), Industry Products Group (IPG) and other products manufactured by the Group. The trading segment is principally engaged in trading of goods not manufactured by the Group. The discontinued operations are Green Vision Group, please refer to details in note 6.

The segment results for the year ended 31st March 2009 are as follows:

	Manufacturing 2009 US$'000	Trading 2009 US$'000	Continuing operations 2009 US$'000	Discontinued operations 2009 US$'000	Group 2009 US$'000
Sales	1,765,805	62,360	**1,828,165**	50,452	1,878,617
Segment operating profit/(loss)	64,537	(17,668)	46,869	(31,137)	15,732
Finance costs, net	(9,261)	(342)	(9,603)	-	(9,603)
Share of profits of associated companies	128	-	128	-	128
Profit/(loss) before income tax	55,404	(18,010)	37,394	(31,137)	6,257
Tax Income	405	38	443	-	443
Profit/(loss) for the year	55,809	(17,972)	37,837	(31,137)	**6,700**
Attributable to:					
Equity holders of the Company					**2,591**
Minority interests					**4,109**
					6,700
Total assets					
Segment assets	1,879,790	23,479	1,903,269	384	1,903,653
Associated companies	1,672	-	1,672	-	1,672
Deferred income tax assets and income tax recoverable	44,613	9	44,622	-	44,622
	1,926,075	23,488	1,949,563	384	1,949,947
Total liabilities					
Segment liabilities	852,699	3,843	856,542	1,457	857,999
Deferred income tax liabilities and income tax liabilities	93,766	34	93,800	-	93,800
	946,465	3,877	950,342	1,457	951,799
Total assets less total liabilities	979,610	19,611	999,221	(1,073)	**998,148**
Other information					
Restructuring provision and assets impairment	13,967	4,822	18,789	-	18,789
Capital expenditure:					
- Acquisition of property, plant and equipment and leasehold land	63,048	50	63,098	1,127	64,225
- Addition of intangible assets	1,943	-	1,943	-	1,943
Addition of property, plant and equipment from the acquisition of subsidiaries	129	-	129	-	129

Depreciation on property, plant and equipment	70,207	151	70,358	120	70,478
Amortisation charge on leasehold land and land use rights	687	-	687	-	687
Amortisation charge on intangibles	18,364	39	18,403	526	18,929

	Manufacturing 2008 US$'000	Trading 2008 US$'000	Group 2008 US$'000
Sales	2,089,393	131,399	2,220,792
Segment operating profit	188,624	192	188,816
Finance costs, net	(17,990)	(755)	(18,745)
Share of profits of associated companies	117	-	117
Profit/(loss) before income tax	170,751	(563)	170,188
Tax expenses	(31,464)	(475)	(31,939)
Profit/(loss) for the year	139,287	(1,038)	138,249
Attributable to:			
Equity holders of the Company			130,849
Minority interests			7,400
			138,249
Total assets			
Segment assets	2,238,150	81,589	2,319,739
Associated companies	1,920	-	1,920
Deferred income tax assets and income tax recoverable	33,000	18	33,018
	2,273,070	81,607	2,354,677
Total liabilities			
Segment liabilities	1,047,011	52,594	1,099,605
Deferred income tax liabilities and income tax liabilities	121,709	433	122,142
	1,168,720	53,027	1,221,747
Total assets less total liabilities	1,104,350	28,580	1,132,930

Other information			
Restructuring provision and assets impairment	23,986	-	23,986
Capital expenditure:			
- Acquisition of property, plant and equipment and leasehold land	96,014	1,324	97,338
- Addition of intangible assets	2	1,553	1,555
Addition of property, plant and equipment from the acquisition of subsidiaries	-	34	34
Depreciation on property, plant and equipment	71,975	189	72,164
Amortisation charge on leasehold land and land use rights	684	-	684
Amortisation charge on intangibles	17,777	116	17,893

(b) Secondary reporting format - geographical segments

In presenting information on the basis of geographical segments, sales from continuing operations are attributed to the region from which the customer orders are originated. Segment assets and capital expenditure are based on the location of the assets.

	Sales		**Capital expenditure**		**Segment assets**	
	2009	2008	**2009**	2008	**2009**	2008
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Asia	**600,774**	709,689	**44,994**	69,991	**837,976**	907,503
America	**426,808**	524,096	**4,661**	6,443	**164,910**	203,699
Europe	**800,583**	987,007	**16,513**	22,459	**900,767**	1,208,537
	1,828,165	2,220,792	**66,168**	98,893	**1,903,653**	2,319,739

Segment sales, capital expenditure and segment assets from discontinued operations are all attributable to Asia.

3. Restructuring provision and assets impairment

	2009	2008
	US$'000	US$'000
Restructuring provision (a)	10,154	12,800
Assets impairment relating to restructuring	3,813	11,186
Impairment for intangible assets (b)	4,822	-
Total provisions	**18,789**	23,986

(a) Restructuring provision and assets impairment mainly relate to activities in Europe and US. In Europe, costs mainly consist of provision for severance for initiatives to simplify the European manufacturing, supply chain, and legal entity footprints. In US, these costs include some consolidation of manufacturing and distribution facilities.

(b) Impairment of goodwill for trading segment

4. Depreciation and amortisation

During the year, depreciation of US$70,107,000 (2008 : US$71,952,000) in respect of property, plant and equipment, amortisation of US$687,000 (2008: US$684,000) in respect of leasehold land and land use rights and amortisation of US$18,403,000 (2008: US$17,893,000) in respect of intangibles were charged in the profit and loss account.

5. Tax income/(expenses)

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profit for the year. Overseas tax has been provided at the applicable rates on the estimated assessable profit in the respective countries of operations for the year.

	2009	2008
	US$'000	US$'000
Current income tax		
Hong Kong profits tax	(4,896)	(11,339)
Overseas taxation	(14,846)	(17,271)
Over/(under) provisions in prior years	5,170	(137)
	(14,572)	(28,747)
Deferred income tax	15,015	(3,192)
	443	(31,939)

6. Discontinued operations

Green Vision Group, a separate operation within the Trading business which had sourced and supplied scrap metals, suffered in the wake of significant shifts in the supply, demand and pricing of these materials. As it was anticipated that these turbulent conditions would continue and the risk profile of this operation would increase as a result, the Green Vision Group operations have been discontinued before March year end.

7. Dividends

The directors do not recommend the payment of any dividend for the year ended 31st March 2009 (31st March 2008 : 0.58 US cents per share interim dividend which amounted to US$21,195,000 and 1.25 US cents per share final dividend which amounted to US$46,158,000).

8. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2009	2008
Profit from continuing operations attributable to equity holders of the Company (thousands US dollars)	**33,728**	130,849
Weighted average number of ordinary shares in issue (thousands)	**3,663,473**	3,667,897
Basic earnings per share from continuing operations (US cents per share)	**0.92**	3.57
Loss from discontinued operations attributable to equity holders of the company(thousands US dollars)	**(31,137)**	-
Basic earnings per share - discontinued operations (US cents per share)	**(0.85)**	-

(a) The profit from continuing operations attributable to equity holders of the company for the year ended 31st March 2009 is calculated based on the profit for the year from continuing operations of US$37,837,000 less the amount attributable to minority interests of US$4,109,000.

(b) The Company has share options that could dilute basic earnings per share in the future. Diluted earnings per share equals basic earnings per share because there were no potential dilutive ordinary shares outstanding during the year ended 31st March 2009.

9. Trade and other receivables

The trade and other receivables include trade receivables of US$236,381,000 (2008: US$437,842,000). The Group normally grants credit terms ranging from 30 to 90 days to its trade customers. The ageing analysis of trade receivables based on overdue date was as follows:

	Current	0-60 days	61-90 days	Over 90 days	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 31st March 2009	**203,305**	**17,392**	**3,521**	**12,163**	**236,381**
Balance at 31st March 2008	369,954	52,092	5,200	10,596	437,842

10. Trade and other payables

The trade and other payables include trade payables of US$119,971,000 (2008: US$227,425,000). The ageing analysis of trade payables based on invoice date was as follows:

	0-60 days US$'000	61-90 days US$'000	Over 90 days US$'000	Total US$'000
Balance at 31st March 2009	**86,414**	**15,753**	**17,804**	**119,971**
Balance at 31st March 2008	181,501	32,550	13,374	227,425

11. Commitments

11.1 Capital Commitments

	2009 US$'000	2008 US$'000
Capital commitment for property, plant and equipment		
Authorised but not contracted for	1,171	5,598
Contracted for	4,337	9,473
	5,508	15,071

11.2 Operating Lease Commitments

(i) At 31st March 2009, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2009		2008	
	Land and buildings US$'000	Others US$'000	Land and Buildings US$'000	Others US$'000
Not later than one year	14,702	2,038	15,703	1,961
Later than one year and not later than five years	31,858	1,833	36,802	1,395
Later than five years	17,949	-	23,286	-
	64,509	3,871	75,791	3,356

(ii) At 31st March 2009, the Group had future aggregate minimum lease rental receivable under non-cancellable operating leases on land and buildings as follows:

	2009 US$'000	2008 US$'000
Not later than one year	3,594	2,397
Later than one year and not later than five years	1,101	634
	4,695	3,031

A MESSAGE FROM PATRICK WANG

To Our Shareholders,

The 2009 financial year witnessed some of the most extraordinary and challenging operating conditions that Johnson Electric has faced in its fifty year history.

It was extraordinary in the sense that the first half of the year was characterized by buoyant demand in major markets and acute supply shortages and extremely high prices for key raw materials such as steel, yet over the course of the second half a global financial crisis triggered a collapse in consumer demand and a rapid decline in many commodity prices. It was especially challenging because almost all of the major markets and geographies in which Johnson Electric operates experienced sharp and almost simultaneous declines in demand that placed most global industrial manufacturing enterprises under severe pressure.

We believe the Group performed creditably under the unique circumstances in recording an essentially break-even result for the year as a whole and in maintaining a sufficiently sound balance sheet with which to navigate what are likely to be very difficult conditions in the year ahead.

Summary of 2008-09 Results

- For the financial year ended 31st March 2009, total sales were US$1,828 million

- Operating cash flow from continuing operations amounted to US$260 million

- Operating profit from continuing operations, after restructuring costs and asset impairment charges of US$19 million, amounted to US$47 million

- Losses from discontinued operations amounted to US$31 million

- Net earnings attributable to shareholders, including losses incurred in discontinued operations, amounted to US$2.6 million or 0.07 US cents per share. Excluding losses from discontinued operations, earnings amounted to 0.92 US cents per share

- Net debt as a percentage of total equity was 23% compared to 26% a year earlier. At year end, the Group's cash and cash equivalent reserves amounted to US$302 million

Dividends

In view of the prevailing macro-economic conditions, the Board has determined that the business and its shareholders would be best served by retaining cash within the Company at the present time and therefore no dividend will be distributed for the 2008-09 financial year.

Sales and Demand Trends

The 18% decrease in total sales to US$1.83 billion was largely due to the sharp contraction in demand in the second half of the year across virtually all of the major segments in which the Group operates. In addition, the Group's trading operations were scaled-back to adjust to the volatility in the commodity markets and some new trading ventures were discontinued entirely.

The Automotive Products Group (APG), the largest operating division, was hardest hit by the global economic downturn, which in the first quarter of calendar 2009 had resulted in new light vehicle production volumes in North America declining by over 50% year-on-year, and production volumes in Europe – partially cushioned by government incentives – declining by 36%. As a consequence, APG's sales for the 2008-09 financial year totaled US$905 million, a decline of US$252 million or 22% compared to the prior year.

Although the division has minimal direct sales to Chrysler and General Motors, the much publicized financial distress of these and other automotive OEMs has resulted in de-stocking, temporary production shutdowns, and plant closures that has had a detrimental effect on all participants in the automotive supply chain including Johnson Electric. Furthermore, it has generally been the larger-sized or higher-end luxury car models that experienced the sharpest declines in demand, and these models typically consume a higher number of Johnson Electric's motor and actuator products than small-sized or lower-end cars. The main positive development for APG during the year was its continued progress in gaining market share in China and other emerging markets. As a result, APG's sales to Asia increased by 2% compared to the prior year and now contribute 18% of the division's sales.

The Industry Products Group (IPG) recorded sales of US$654 million – a decrease of 9% or US$62 million compared to the prior year. While not as severe as the situation in the automotive sector, the major end-markets of IPG, including home appliances, power tools and business and industrial equipment, all weakened during the second half of the financial year as a result of depressed housing and construction markets, lower consumer expenditure, and reduced economic activity in general. In many segments, Johnson Electric in fact achieved market share gains due to the flexibility and responsiveness of our business model, new product introductions, and a trend on the part of some customers to direct more of their purchases towards larger, more financially stable players who offer greater reliability of supply in the current operating environment.

Other manufacturing businesses within the Group contributed a combined US$207 million to total sales. This represented a decrease of 5% compared to the previous financial year due to a reduction in sales by Parlex Corporation, the Group's flexible printed circuit board business, which was both impacted by the global economic downturn and its strategic exit of some unprofitable segments. Partly offsetting that sales decline was the positive sales performances of both Saia-Burgess Controls and China Autoparts, Inc.

Johnson Electric Trading, which includes motor-related sourcing and a specialty metals supply business, saw its revenues decline sharply by 53% to US$62 million due to the combination of reduced demand and the dramatic fall in commodity prices during the year. In addition, Green Vision Group, a new operation within the Trading segment focused on sourcing and supplying scrap metals, suffered due to the significant shifts in demand, supply and pricing over the period. Given the consequent unfavourable economics and risk profile of the business venture, the Green Vision operations were discontinued and its financial results are disclosed separately in the Group's financial statements under Discontinued Operations.

Resizing and Reshaping the Business for the Changed Operating Environment

The unprecedented speed and severity by which sales contracted in the second half inevitably reduced profitability and, for several business units, resulted in operating losses in the latter months of the financial year.

Overall gross profit margins for the full year declined from 25% to 23% due largely to lower volumes and the ongoing high cost of raw materials which, despite spot prices falling significantly in the second half, remained a burden given the duration of supply contracts and forward hedged positions. However, the negative impact of the downturn on profit margins was minimized by rapid actions taken by management to cut variable costs and resize the operations to reflect the demands of the market. Direct labour headcount, for example, was reduced by approximately 8,000 or 29% in the six months between September 2008 and

March 2009 – with the majority of that reduction occurring in the Group's manufacturing operations in China.

Similarly, the Group has instituted stringent measures to contain and reduce overheads wherever possible. Although the decline in sales revenue was too deep to prevent sales and administrative expenses increasing as a percentage of sales, in absolute dollar terms these expenses declined by US$16 million compared to the prior year. And in the second half of the financial year, the reduction in such expenses amounted to US$41 million or 22% compared to the same period a year earlier.

Given every indication that we are in the midst of a deep and long global recession, management has undertaken a review of its global manufacturing and sales footprint to assess where and how it can be resized and reshaped to meet the needs of our customers in a sustainable and profitable manner. As a result, the Group is in the process of implementing various restructuring initiatives globally and the costs, and ultimate benefits, can be expected to be felt across the course of Johnson Electric's operating and financial results over the next one to two years at least.

The Strength of Johnson Electric

While the effective execution of the restructuring program is the top near-term priority, management is also conscious that it must simultaneously be looking further ahead.

No other company has the breadth of Johnson Electric's offering in motor and motion-related products which combined with our global physical footprint and unique fulfillment capabilities is a source of significant competitive advantage. And although the current environment is extraordinarily testing for industrial manufacturing businesses, it is those with a strong business model and real advantages that can look to the future with confidence. For example, despite the drastic decline in sales experienced in the second half of the year, the company's flexible and comparatively low-capital intensive operations were able to generate healthy, positive cash flows.

We therefore are using the market difficulties caused by the economic crisis as an opportunity to accelerate several strategic initiatives that we have been formulating. These include leveraging our technology and cost base to design larger modules and sub-systems; and potentially to manufacture complete product solutions for our global branded goods customers. We will be investing in bringing motion products to market that offer significant benefits in terms of energy savings and reduced emissions. And we will be further building and deepening our presence in key emerging markets such as China and India, as well as looking to tap into the innovative technologies and designs that typically originate from more developed markets such as the United States.

Underpinning these strategies is Johnson Electric's traditionally strong focus on continuous improvements on the shop-floor and our relentless efforts to reduce waste. The onset of the economic crisis has highlighted the imperative to ensure that all parts of the Group around the world – particularly those acquired in the past few years – are fully aligned in terms of how we do business and how we make performance improvements. While we have made progress in generating operating synergies from our acquisitions over the years, we acknowledge that there is plenty more to do and more potential gains to be made.

Current Trading Conditions and Outlook

With major multilateral agencies predicting that global output in 2009 will decline for the first time in 60 years, we are not optimistic that global economic activity will rebound rapidly.

Forecasting demand for 2009-10 remains difficult and, as a consequence, so is forecasting profitability. There are many factors outside our control and difficult to project. However, with the actions we are taking to address market, product, and innovation opportunities, we expect to see some improvement in sales compared to the second half of 2008-09 provided there are no new adverse developments in the markets we serve. With some increase in sales and with the impact of the many cost reduction initiatives and programs launched during the second half of 2008-09 which are now taking full effect, the Group should be able to return to profitability in the first half of 2009-10. Looking further ahead, based on the strength of Johnson Electric's market position and its distinct business model, we believe the Group remains as well placed as ever to prosper.

In more "normal" times, I would expect to highlight the 50th anniversary of Johnson Electric's founding as a company more prominently in this report and elsewhere. But since these are most definitely not normal times, I would observe simply that we as a company are very proud of our market success and growth over the past five decades – and that the basis for that success has been the hard work and determination of our employees to whom I will always be grateful.

On behalf of the Board, I would like to thank all of our customers, shareholders, suppliers, and employees for their continued support.

Patrick Wang Shui Chung
Chairman & Chief Executive

Hong Kong, 5th June 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

SALES REVIEW

Total Group Sales for FY2009 were US$1,828.2 million, a decrease of US$392.6 million, or 18%, from US$2,220.8 million in the previous year. The strength of the Euro and other currencies against the US dollar compared to the previous year, contributed US$26.7 million to the Group's sales. Excluding this currency effect, the underlying Group sales decline was 19%.

Sales, reported geographically, are as follows:

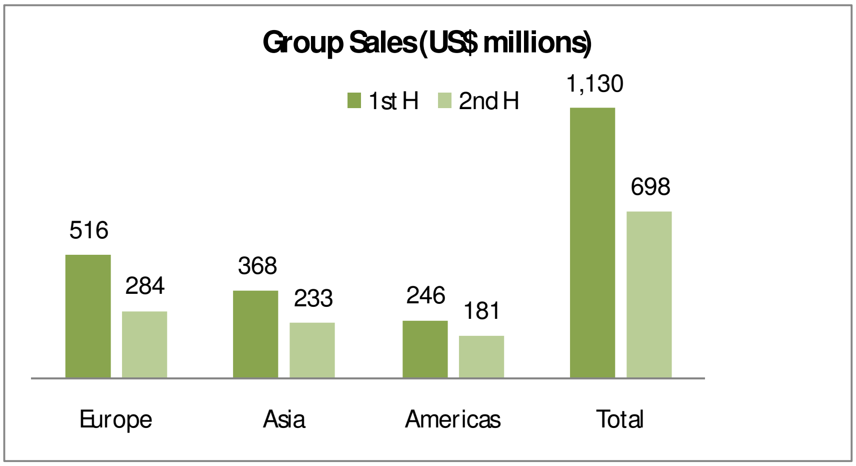
GROUP

US$millions	FY2009		FY2008		Growth
	Sales	%	Sales	%	%
Europe	800	44%	987	44%	-19%
Asia	601	33%	710	32%	-15%
Americas	427	23%	524	24%	-19%
Total	1,828	100%	2,221	100%	-18%

Note: In presenting information on the basis of geographic segments throughout this document, sales are attributed to the region from which the customer orders are originated.

First Half versus Second Half

Sales in the second half of FY2009 were US$698.1 million, a decrease of US$432.0 million, or 38%, from US$1,130.1 million in the first half. Excluding the effect of the weakening Euro against the US dollar during the second half, the underlying sales decrease was US$390.2 million, or 35%. This sharp sales decrease in the second half was primarily due to the downturn in the global economy.



SALES ANALYSIS

We manage the Group's activities in two segments: Manufacturing and Trading. Group Sales for the year can be analyzed as follows:

GROUP SALES ANALYSIS	**FY2009**		**FY2008**		Increase/ (decrease)	
US$ millions	Sales	%	Sales	%		%
MANUFACTURING SEGMENT	**1,766**	**97%**	**2,090**	**94%**	**(324)**	**-15%**
AUTOMOTIVE PRODUCTS GROUP (APG)	**905**	**50%**	**1,157**	**52%**	**(252)**	**-22%**
Motors	630	35%	811	37%	(181)	-22%
Body Climate	*76*	*4%*	*105*	*5%*	*(29)*	*-28%*
Body Instruments	*134*	*8%*	*169*	*8%*	*(35)*	*-21%*
Powertrain Cooling	*340*	*19%*	*428*	*19%*	*(88)*	*-21%*
Powertrain Management	*58*	*3%*	*67*	*3%*	*(9)*	*-13%*
Chassis Braking	*22*	*1%*	*42*	*2%*	*(20)*	*-48%*
Motion and Actuation Systems	275	15%	346	15%	(71)	-21%
INDUSTRY PRODUCTS GROUP (IPG)	**654**	**36%**	**716**	**32%**	**(62)**	**-9%**
Motors	478	26%	525	23%	(47)	-9%
Home Appliances	*179*	*10%*	*196*	*9%*	*(17)*	*-9%*
Power Tools	*122*	*6%*	*141*	*6%*	*(19)*	*-13%*
Business & Lifestyle	*177*	*10%*	*188*	*8%*	*(11)*	*-6%*
Motion and Actuation Systems	176	10%	191	9%	(15)	-8%
OTHER MANUFACTURING BUSINESSES	**207**	**11%**	**217**	**10%**	**(10)**	**-5%**
TRADING SEGMENT	**62**	**3%**	**131**	**6%**	**(69)**	**-53%**
TOTAL SALES	**1,828**	**100%**	**2,221**	**100%**	**(393)**	**-18%**

As economic conditions gradually improve in FY2010, we expect our sales to begin to recover from what have been relatively low levels in the second half of FY2009. Along with this market recovery, we plan to introduce new products, further strengthen our relationship with existing customers, and expand our presence in developing markets. We believe that these actions will facilitate growth in sales revenue in the FY2010 as compared to the annualized rate of sales of the second half of FY2009.

MANUFACTURING SEGMENT

Operations in the Manufacturing segment share many common features relating to technology, manufacturing processes, supply chain management, brand and channel management, and business model structure. This creates opportunities for synergy in many areas including revenue growth through leveraging the strength of the Company's technology, and cost reduction through the sharing of resources.

The Manufacturing segment is sub-divided into three divisions which focus on specific customer needs and technologies in defined markets: Automotive Products Group, Industry Products Group and Other Manufacturing Businesses.

In the sales commentaries below, references to currency effects relate to the impact on sales expressed in US dollars when sales in other currencies are translated at different rates in FY2009 as compared to the previous year. However, the Company also has costs denominated in currencies other than US dollars, and the impact of these currency effects on the manufacturing cost base and on Selling and Administrative costs is referred to in the Financial Results commentary on pages 29 to 35.

AUTOMOTIVE PRODUCTS GROUP ("APG")

APG sales in FY2009 were US$905.2 million, a decrease of US$251.8 million, or 22%, from US$1,157.0 million in the previous year. Changes in currency exchange rates in FY2009, primarily the strengthening of the Euro against the US dollar, contributed US$17.5 million to sales. Excluding these currency effects, underlying sales declined by 23%. APG sales represented 50% of the total turnover of the Group.

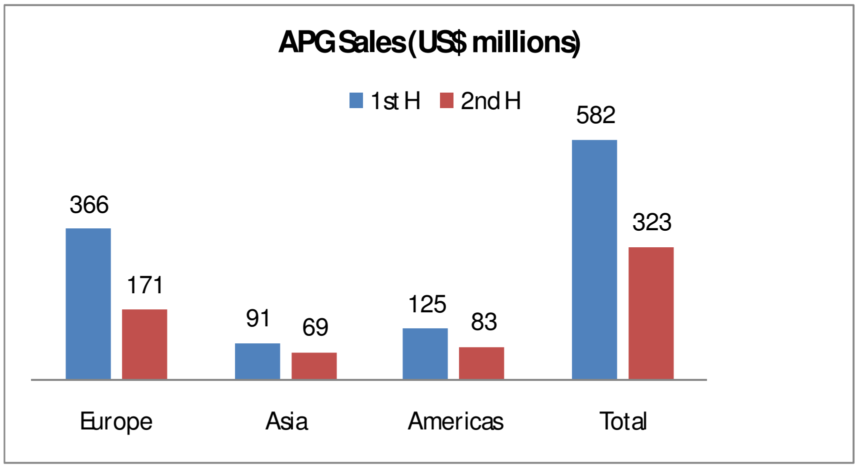
Sales, reported geographically, are as follows:

APG

US$millions	FY2009		FY2008		Growth
	Sales	%	Sales	%	%
Europe	537	59%	709	61%	-24%
Asia	160	18%	157	14%	2%
Americas	208	23%	291	25%	-29%
Total	905	100%	1,157	100%	-22%

First Half versus Second Half Sales

A comparison of sales between the first and second half of FY2009 is shown below:



Sales for APG for the first half of FY2009 declined by 5% over the same period in the previous year when compared on a constant currency basis. Sales in the first half were still strong in Asia and flat in Europe, but in North America sales declined as the downturn in that market started to impact customer demand.

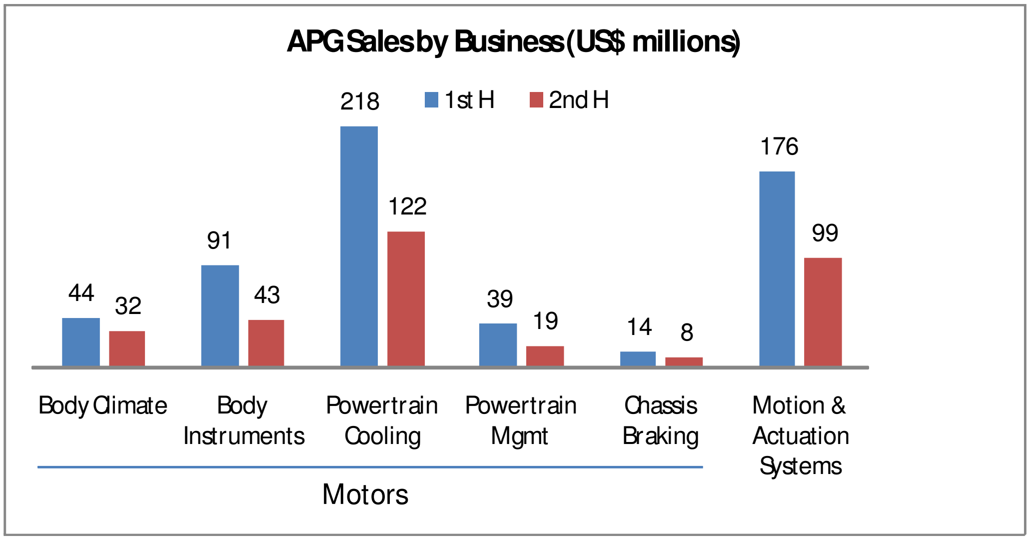
Sales in the second half of US$322.8 million declined by US$259.6 million, or 45%, from sales of US$582.4 million in the first half. Sales were impacted by currency changes, notably the fall in the value of the Euro against the dollar. Excluding the Euro currency effect of US$28.9 million, sales declined in the second half over the first by 40%.

In all regions, sales in the second half were lower than in the first half. European sales reduced by US$195.1 million (53%), Asian sales by US$21.7 million (24%) and Americas sales by US$42.4 million (34%).

The significant drop in demand for new automobiles, which began with higher fuel consumption vehicles in North America in the first half of FY2009 quickly spread to other vehicles in North America, Europe, and Japan during the second half of FY2009. This contraction in demand led to a large number of temporary shut-downs of vehicle assembly facilities in December 2008 and January 2009 as well as a slowdown in the introduction of new vehicle platforms. The resulting reduction in end user demand led component and sub assembly suppliers to rapidly rationalize global automotive supply chain inventories thus adversely impacting our sales in the second half of FY2009. This decline in demand coincided with a fall in the value of the Euro against the dollar.

While there was growth in the China and certain South Asia markets during the year, other key developing markets including Brazil showed sharp declines in the second half.

A comparison of sales between the first and the second half of FY2009, analyzed by business, is shown below:



Sales are expected to increase from the levels experienced in the second half of FY2009 as the markets recover and as products are developed for the BRIC and other new markets.

APG also plans to launch products that meet global requirements for higher power to weight ratios, improved fuel efficiency and increasingly stringent safety and environmental regulations.

Motors

Global sales for APG motors in FY2009 were US$629.9 million, a decrease of US$180.6 million, or 22%, from US$810.5 million in the previous year. Changes in currency exchange rates in the year contributed US$12.9 million to sales compared to the previous year. Excluding these currency effects, underlying sales declined by 24%.

Sales analysis for APG motors business units is as follows:

Body Climate

Global sales of products for body climate applications, including motors for window lifts, power seat adjustment and power lift gates, were US$76.1 million in FY2009, a decrease of US$28.5 million, or 27%, from US$104.6 million in the previous year. The effect of currency exchange rates was negligible.

While we increased our focus on passenger vehicle markets, sales growth in this segment did not fully compensate for the effect of lower large sport utility vehicle and pick-up truck sales. We continue to focus on the markets' requirement for lighter products with equivalent power and to develop strategic relationships in the developing BRIC markets.

Sales in Europe were US$24.2 million in FY2009, a decrease of US$10.0 million, or 29%, from US$34.2 million in the previous year. Excluding currency effects, underlying sales declined by 31%. In Europe, the second half of FY2009 saw significant reductions due to a rapid decline in window lift demand.

Sales in Asia were US$12.4 million in FY2009, an increase of US$2.7 million or 28% over US$9.7 million in the previous year. The effect of currency exchange rates was negligible. Sales of window lift products in Asia, especially China, Korea and the Middle-East grew primarily as a result of initiatives in the previous year which led to new product launches and improved market penetration in FY2009.

Sales in the Americas were US$39.5 million in FY2009, a decrease of US$21.2 million, or 35%, from US$60.7 million in the previous year. In North America, sales of seat products declined significantly as a result of the downturn in the pick-up truck and large sports utility vehicle markets. This downturn started in the first half of FY2009 and accelerated during the second half.

Body Instrumentation

Global sales of products for body instrumentation applications, including motors for mirrors, headlamps, door locks, cinching latches and washer pumps were US$134.1 million in FY2009, a decrease of US$35.0 million, or 21%, from US$169.1 million in the previous year. Excluding currency effects, underlying sales declined by 22%. Sales volume grew in the first half of FY2009 but decreased in the second half primarily due to downturns in the American and European passenger car markets and the resultant supply chain rationalization.

Sales in Europe were US$81.1 million in FY2009, a decrease of US$26.7 million, or 25%, from US$107.8 million in the previous year. Excluding currency effects, underlying sales declined by 26%.

Sales in Asia were US$37.0 million in FY2009, a decrease of US$4.3 million, or 10%, from US$41.3 million in the previous year. Excluding currency effects, underlying sales declined by 12%. Asian sales fell due to lower exports by many of our customers and because of the softening of demand in Korea. These impacts more than offset growth in China. In Asia, the demand for body instrumentation products in the short-term is likely to be limited due to the current emphasis on vehicles with fewer features. However, we will seek to compensate for this by seizing opportunities to supply safety related products such as headlamp adjusters and steering applications.

Sales in the Americas were US$16.0 million in FY2009, a decrease of US$4.0 million, or 20%, from US$20.0 million in the previous year. Sales declined as a result of the general economic slowdown and its effect on vehicle sales.

Powertrain Cooling

Global sales of products for powertrain cooling applications, mainly comprising cooling fan modules and motors were US$339.6 million in FY2009, a decrease of US$88.4 million, or 21%, from US$428.0 million in the previous year. Excluding currency effects, underlying sales declined by 23%. Sales volume declined slightly in the first half of FY2009 before turning sharply down in the second half.

Sales in Europe were US$205.2 million in FY2009, a decrease of US$87.4 million, or 30%, from the US$292.6 million the previous year. Excluding currency effects, underlying sales declined by 31%. Sales in Europe declined due to the general economic slowdown and its effect on vehicle sales as well as the reducing demand from a number of end-of-life vehicle platforms and the phasing out of uncompetitive products.

Sales in Asia were US$77.7 million in FY2009, an increase of US$10.1 million, or 15%, over US$67.6 million in the previous year. Sales in Asia grew as a result of revenues gained from new product launches and increased penetration of after-market sales channels. Sales growth was also helped by the strengthening of the Chinese renminbi against the US dollar. Excluding currency effects, underlying sales increased by 6%.

Sales in the Americas were US$56.7 million in FY2009, a decrease of US$11.1 million, or 16%, from US$67.8 million in the previous year. These declines were due to the general economic slowdown in North America and some one-off after-market business, which was recorded in the previous year.

Powertrain Management

Global sales of products for powertrain management applications, including fuel and air pumps and engine air management systems, were US$58.4 million, a decrease of US$8.6 million in FY2009, or 13%, from US$67.0 million in the previous year. Excluding currency effects, underlying sales declined by 14%. As we drive to satisfy the rapidly growing market need for fuel efficiency and green initiatives the development of powertrain management products continues to be a key part of APG's strategy.

Sales in Europe were US$29.4 million in FY2009, a decrease of US$4.0 million, or 12%, from US$33.4 million in the previous year. Excluding currency effects, underlying sales declined by 13%. Sales declined as a result of supply chain rationalization as customers de-stocked, which more than offset increased revenues achieved through the launch of new products.

Sales in Asia were US$11.2 million in FY2009, a decrease of US$2.6 million, or 19%, from US$13.8 million in the previous year. Excluding currency effects, underlying sales declined by 22%. Sales declined in Asia overall as growth in China was more than offset by sharp reductions in Japan and Korea as those markets contracted.

Sales in the Americas were US$17.8 million in FY2009, a decrease of US$2.0 million, or 10%, from US$19.8 million in the previous year. The benefit of new product introductions was more than offset by North America sales declines in FY2009, especially in the second half, as the passenger car market declined. In contrast, sales in South America grew significantly over the previous year due to some customers migrating from higher cost North American locations to South American locations.

Chassis Braking

Global sales of products for chassis braking applications, including products for braking systems and transmission actuation, were US$ 21.6 million in FY2009, a decrease of US$19.9 million, or 48%, from US$41.5 million in the previous year. We continue to focus on developing the next generation of products for improving fuel efficiency through enhanced transmission applications which include automatic manual transmissions and dual clutch transmissions as well as increasing safety through improvised antilock braking systems.

Sales in Europe were US$6.7 million in FY2009, a decrease of US$1.6 million, or 19%, from US$8.3 million in the previous year. Excluding currency effects, underlying sales declined by 20%. Sales were impacted by the general economic slowdown in the second half of the year.

Sales in Asia were US$2.2 million in FY2009, a decrease of US$2.9 million, or 57%, from US$5.1 million in the previous year. The impact of changes in currency exchange rates in the year was negligible. Sales in Asia declined throughout the year as the phase out of uncompetitive products was completed.

Sales in the Americas were US12.7 million in FY2009, a decrease of US$15.4 million, or 55%, from US$28.1 million in the previous year. As with body climate products, North American sales of these products were heavily impacted by the decline in demand for heavy trucks and large sports utility vehicles which started in the first half of FY2009 and then accelerated in the second half.

Motion and Actuation Systems

Motion and actuation systems comprise actuation systems for climate control, headlamp adjustment and mirror control as well as switches, sensors and solenoids. Global sales were US$275.3 million in FY2009, a decrease of US$71.1 million, or 21%, from US$346.4 million in the previous year. Excluding currency effects, underlying sales declined by 22%.

Sales analysis for APG motion and actuation systems business units is as follows:

Actuation Systems

Global sales of actuation systems were US$202.9 million in FY2009, a decrease of US$47.2 million, or 19%, from US$250.1 million in the previous year. Excluding currency effects, underlying sales declined by 20%. APG has a significant share of the market for actuation systems for air conditioning and headlight applications, and we expect the development of new applications and actuators will provide significant growth opportunities.

Sales in Europe were US$144.5 million in FY2009, a decrease of US$25.3 million, or 15%, from US$169.8 million in the previous year. Excluding currency effects, underlying sales declined by 17%. Even with increased market penetration of stepper actuators in the first half of FY2009, full year sales declined due to the downturn of automotive sales. Sales were also reduced by changes in product mix as customers replaced older actuators with newer, lower priced products. This sales decline was also impacted by our strong presence in the mid-premium & luxury car market segments which have been disproportionately affected by the economic slowdown.

Sales in Asia were US$7.1 million in FY2009, a decrease of US$0.6 million, or 8%, from US$7.7 million in the previous year. Excluding currency effects, underlying sales declined by 10%. While we experienced declines on a currently low base in Asia, China continues to be a key target market for future growth. Recent government regulations mandating headlamp actuation systems have increased potential in this segment.

Sales in the Americas were US$51.3 million in FY2009, a decrease of US$21.3 million, or 29%, from US$72.6 million in the previous year. Sales decreased due to the overall market downturn and weakness in the heavy truck segment.

Switches, Sensors, and Solenoids

Global sales of switches, sensors, and solenoids were US$72.4 million in FY2009, a decrease of US$23.9 million, or 25%, from US$96.3 million in the previous year. Excluding currency effects, underlying sales declined by 26%. Recent new project wins are set to deliver increased sales in the FY2010.

Sales in Europe were US$46.2 million in FY2009, a decrease of US$16.8 million, or 27%, from US$63.0 million in the previous year. Excluding currency effects, underlying sales declined by 28%. In addition to the market led declines, revenues also reduced due to the exit of non-core product lines.

Sales in Asia were US$12.3 million in FY2009, an increase of US$1.0 million, or 9%, over US$11.3 million in the previous year. Excluding currency effects, underlying sales increased by 8%. Sales in Asia were robust and increased, partly due to the successful launch of new subsystems in the previous year.

Sales in the Americas were US$13.9 million in FY2009, a decrease of US$8.1 million, or 37%, from US$22.0 million in the previous year. Sales in North America declined throughout the year due to the weakness of the heavy truck and large sports utility vehicle segments, though a number of new solenoid projects were launched towards the end of FY2009.

INDUSTRY PRODUCTS GROUP ("IPG")

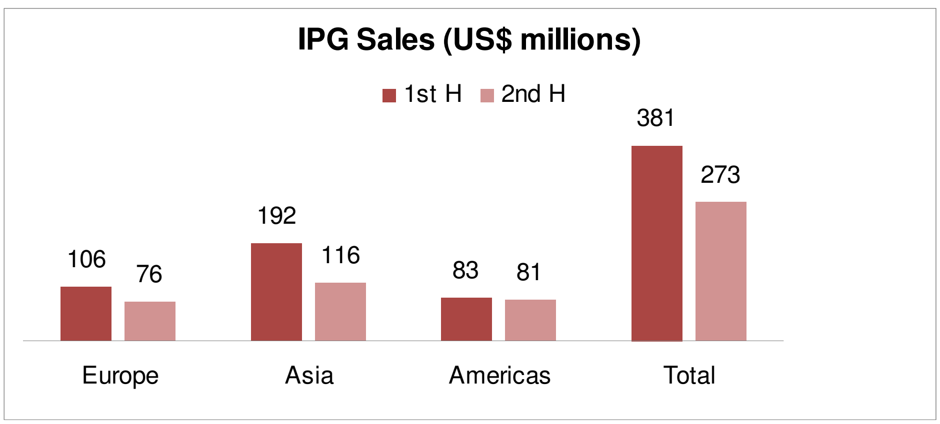
IPG sales in FY2009 were US$654.2 million, a decrease of US$61.9 million, or 8.6%, from US$716.1 million in the previous year. Changes in currency exchange rates in FY2009, primarily the strengthening of the Euro and Japanese Yen against the US dollar, contributed US$5.4 million to sales. Excluding this currency effect, underlying sales declined by 9%. IPG sales represented 36% of the Group's total turnover in FY2009.

Sales, reported geographically, are as follows:

IPG *US$millions*	FY2009		FY2008		Growth
	Sales	%	Sales	%	%
Europe	182	28%	192	27%	-5%
Asia	308	47%	343	48%	-10%
Americas	164	25%	181	25%	-9%
Total	654	100%	716	100%	-9%

First Half versus Second Half Sales

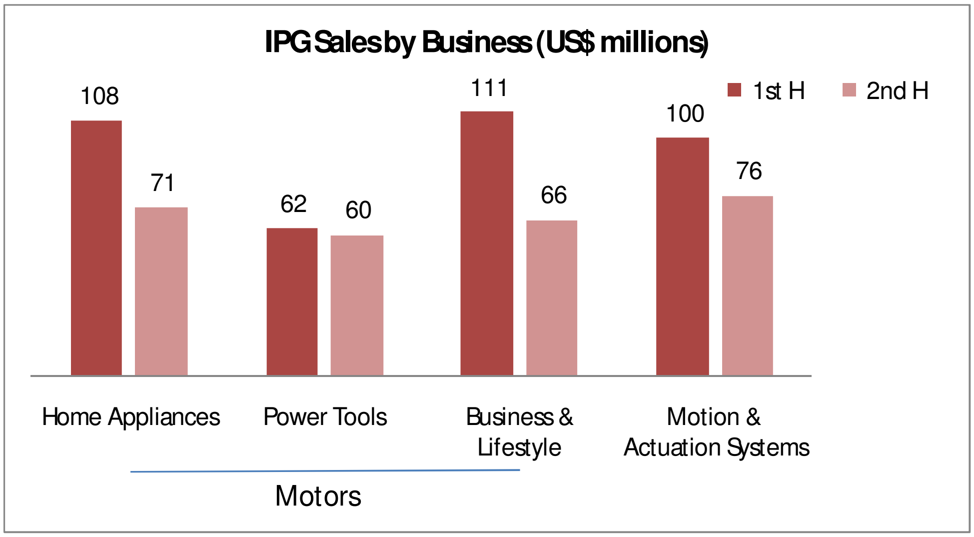
A comparison of sales between the first and second half of FY2009 is shown below:



IPG sales of US$273.2 million in the second half of FY2009 represented a decline of US$107.8 million, or 28%, from sales of US$381.0 million in the first half. Sales were further impacted by currency changes, notably the fall in the value of the Euro against the dollar. Excluding the Euro currency effect of US$8.1 million, sales declined in the second half over the first by 26%.

A significant drop in demand in the second half of FY2009 due to the global economic slowdown occurred in Europe where sales declined by US$30.3 million (29%) and in Asia where sales declined by US$76.2 million (40%). In the Americas, however, sales fell by only US$1.3 million (2%). Sales were impacted by conservative buying behaviour for household and lifestyle products and by concern amongst consumers about job stability which increased their inclination to save.

A comparison of sales between the first half and the second half of FY2009, analyzed by business, is shown below:



Looking ahead, we expect some recovery in sales as confidence grows again and as markets recover, and as we increase market penetration and launch several new products.

Motors

Global sales for IPG Motors were US$477.9 million in FY2009, a decrease of US$46.9 million, or 9%, from US$524.9 million in the previous year. Changes in currency exchange rates in FY2009 contributed US$4.9 million to sales compared to the previous year. Excluding these currency effects, underlying sales declined by 10%.

Sales analysis for IPG motors business units is as follows:

Home Appliances

Global sales of products for home appliance applications, including products for floor care, food & beverage and home comfort, were US$179.3 million in FY2009, a decrease of US$17.1 million, or 9%, from US$196.4 million in the previous year. The business plans to grow revenue by focusing on niche markets for home applications and developing deeper relationships with existing customers.

Sales in Europe were US$43.6 million in FY2009, an increase of US$3.8 million, or 10%, over US$39.8 million in the previous year. Excluding currency effects, underlying sales increased by 8%. Sales increased mainly due to increased market share in the white goods and juice extractor segments as well as a successful entry into the deep fryer segment.

Sales in Asia were US$88.4 million in FY2009, a decrease of US$14.5 million, or 14%, from US$102.9 million in the previous year. Excluding currency effects, underlying sales declined by 14%. The sales decline occurred primarily in the second half of FY2009 as a result of the economic slowdown's impact on the export of floor care products assembled by our customers in China and other South Asian countries.

Sales in the Americas were US$47.3 million in FY2009, a decrease of US$6.4 million, or 12%, from US$53.7 million in the previous year. Lower levels of demand for floor care products such as brush roll, large vacuum cleaner and food & beverage applications contributed to the decline. These declines were partly offset by growth in the hand dryer and food waste disposal business.

Power Tools

Global sales of products for power tools applications, including products for power tools, garden and outdoor products, and starter applications, were US$121.7 million in FY2009, a decrease of US$19.2 million, or 14%, from US$140.9 million in the previous year. The impact of the economic slowdown on the housing and related markets was the principal cause of the sales decline. The sales growth strategy for FY2010 is built around new customer programs and a focus on niche markets.

Sales in Europe were US$6.5 million in FY2009, a decrease of US$0.8 million, or 11%, from the relatively low base of US$7.3 million in the previous year. The effect of currency exchange rates was negligible. Some of our products are sold to manufacturers of discretionary consumer items such as recreational products, and as some consumers curtailed their expenditure on these items the demand for our products was adversely affected.

Sales in Asia were US$59.8 million, a decrease of US$12.2 million in FY2009, or 17%, from US$72.0 million in the previous year. The effect of currency exchange rates was negligible. Other than the effect of the economic slowdown, sales declined due to a strategic shift away from commodity based products towards differentiated and innovative, higher margin solutions.

Sales in the Americas were US$55.4 million in FY2009, a decrease of US$6.2 million, or 10%, from US$61.6 million in the previous year. The housing slump in North America affected the demand for power tools needed for new home construction and remodeling and, although the successful launch of starter motor programs occurred in the second half of FY2009, it was not enough to offset the impact of the economic decline on power tools products.

Business and Lifestyle

Global sales of products for business and lifestyle applications, including products for business equipment, personal products, fitness, building automation, security, and audio-visual applications, were US$176.9 million in FY2009, a decrease of US$10.7 million, or 6%, from US$187.6 million in the previous year. Excluding currency effects, underlying sales declined by 8%. In FY2010, the focus will be on providing total motion product solutions and developing new products for healthcare and environmental applications.

Sales in Europe were US$15.9 million in FY2009, a decrease of US$2.4 million, or 13%, from US$18.3 million in the previous year. Excluding currency effects, underlying sales declined by 14%. Sales declined as new product launches were postponed by customers as a result of the poor market sentiment.

Sales in Asia were US$143.0 million in FY2009, a decrease of US$9.1 million, or 6%, from US$152.1 million in the previous year. Excluding currency effects, underlying sales declined by 9%. Although sales in Japan benefited from the strengthening of the Japanese yen against the US dollar it was not enough to offset the reduction in volumes. Sales in the first half of FY2009 were strong as a result of new product and program launches across a range of applications but the economic slowdown led to reduced sales in the second half particularly for products in laser and inkjet printers, cameras, audio & video, and printer pumps. These declines more than offset sales growth in motors for toilet seats and gaming products as well as for new applications such as circuit breakers, building automation and blood pressure pumps.

Sales in the Americas were US$18.0 million in FY2009, an increase of US$0.8 million, or 5%, over US$17.2 million in the previous year. Sales for motors for vending machines and toys in North America were stable whereas sales increased for newly developed motors for hair care products in South America.

Motion and Actuation Systems

Motion and actuation systems comprise actuation systems and solenoids for heating ventilation and air conditioning (HVAC), distribution, building automation, postal automation, vending and industrial equipment applications, as well as switches for a variety of applications. Global sales were US$176.3 million in FY2009, a decrease of US$14.9 million or 8%, from US$191.2 million in the previous year. The contribution from the strengthening of the Euro and other currencies against the US dollar was not significant.

Sales analysis for IPG motion and actuation business units is as follows:

Switches

Global sales of switches for home appliances, business machines, industrial equipment, building automation and security, as well as heating ventilation and air conditioning (HVAC) applications, were US$73.2 million in FY2009, a decrease of US$12.7 million or 15%, from US$85.9 million in the previous year. The effect of currency exchange rates was negligible. Continued efforts to expand indirect sales channels and to include switches as part of sub-systems and motion solutions offerings will help us grow sales in FY2010.

Sales in Europe were US$57.1 million in FY2009, a decrease of US$10.2 million, or 15%, from US$67.3 million in the previous year. The sales decline resulted from the weak economic conditions and the consequent reduction of stocks at distributors together with reduced sales for switches to small appliance, white goods, HVAC, and power and garden equipment manufacturers. Sales increases due to currency gains from the strengthening of the Euro and other currencies were offset by the weaker pound sterling.

Sales in Asia were US$11.0 million in FY2009, a decrease of US$1.3 million, or 11%, from US$12.3 million in the previous year. The effect of currency exchange rates was negligible. Sales declined due to the market slowdown and as a result of the discontinuation of unprofitable business.

Sales in the Americas were US$5.1 million in FY2009, a decrease of US$1.2 million, or 19%, from a small base of US$6.3 million in the previous year. These reductions were in line with the contraction of the market due to the economic slowdown.

Actuators

Global sales of actuators, including products for heating, ventilation and air conditioning (HVAC) applications and mail sorting automation were US$103.1 million in FY2009, a decrease of US$2.2 million, or 2%, from US$105.3 million in the previous year. Excluding currency effects, underlying sales declined by 3%. It is expected that sales will increase in FY2010 as markets revive and we enhance service levels and delivery performance to our customers.

Sales in Europe were US$58.6 million in FY2009, a decrease of US$0.8 million, or 1%, from US$59.4 million in the previous year. Excluding currency effects, underlying sales declined by 3%. Products for heating, ventilation and air conditioning (HVAC) applications make up the majority of this business unit's sales. Sales of such products were strong in the first half of FY2009 but the economic slow-down in the second half negatively impacted sales.

Sales in Asia were US$5.6 million in FY2009, an increase of US$1.6 million, or 40%, from a small base of US$4.0 million in the previous year. The effect of currency exchange rates was negligible. Sales grew as a result of increased demand for actuation systems for printers and for testing equipment for hard disc drives.

Sales in the Americas were US$38.9 million in FY2009, a decrease of US$3.0 million, or 7%, from US$41.9 million in the previous year. Sales declines were due to lower demand for products for air conditioning and for postal automation systems.

OTHER MANUFACTURING BUSINESSES

The Group's other manufacturing businesses include Parlex, Saia-Burgess Controls, and China Autoparts, Inc.. Sales in FY2009 were as follows:

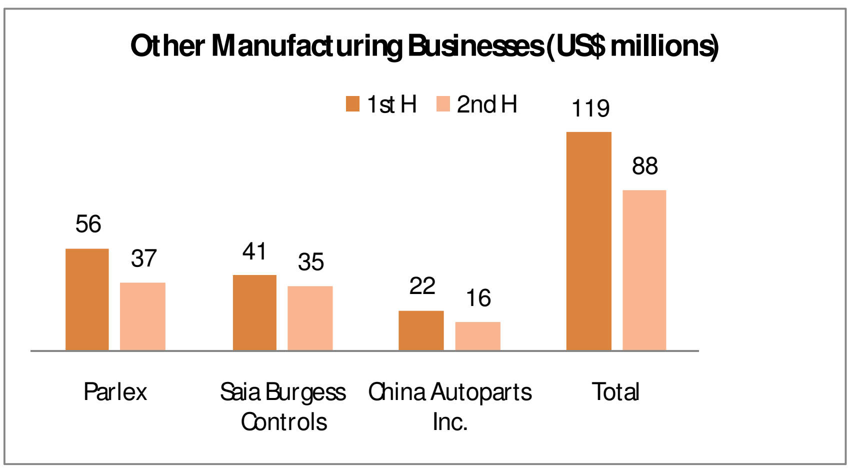
Other Manufacturing Businesses

US$millions	FY2009		FY2008		Growth
	Sales	%	Sales	%	%
Parlex	93	45%	115	53%	-19%
Saia Burgess Controls	76	37%	69	32%	11%
China Autoparts, Inc.	38	18%	33	15%	15%
Total	207	100%	217	100%	-5%

First Half versus Second Half

As with other parts of the Group, sales for these businesses were affected by the economic slowdown, and sales declined in the second half of FY2009.

A comparison of sales between the first and second half of FY2009 is shown below:



Parlex

Sales by Parlex, a flexible printed circuit board and interconnect solutions provider, were US$93.1 million in FY2009, a decrease of US$22.1 million, or 19%, from US$115.2 million in the previous year. The weakening of the pound sterling against the US dollar contributed US$1.8 million to this reduction of sales. Excluding this currency effect, underlying sales declined by 18%.

Sales to our customers in the consumer electronics and automotive markets declined in the second half of FY2009. At the same time, the business exited certain unprofitable markets. These sales declines were partially offset by some price increases.

Parlex plans to launch several new products in the second half of FY2010.

Saia-Burgess Controls

Sales by Saia-Burgess Controls, a niche player in the programmable controls industry, primarily in Europe, were US$76.1 million in FY2009, an increase of US$7.3 million, or 11%, over US$68.8 million in the previous year. The strengthening of the Euro, Swiss Franc and other currencies against the US dollar contributed US$2.3 million to sales. Excluding this currency effect, underlying sales increased by 7%.

Sales increased as a result of the successful introduction of web-based Human Machine Interface (HMI) products and through increased sales to our customers in infrastructure automation businesses. These increases more than offset declines that were experienced in other market segments.

The business plans to achieve sales growth with its innovative Human Machine Interface (HMI) products and its energy metering products.

China Autoparts, Inc.

Sales by China Autoparts, Inc., a leading independent producer of high quality iron casting parts for the automotive sector in China, were US$37.3 million in FY2009, an increase of US$4.8 million, or 15%, over US$32.5 million in the previous year. The strengthening of the Chinese renminbi against the US dollar contributed US$2.9 million to the unit's sales. Excluding this currency effect, underlying sales increased by 6%.

This business, which is located near to Chengdu, increased sales despite being negatively impacted after the Sichuan Province earthquake, in the first half of FY2009, which led to the loss of more than two weeks of production.

Recent economic stimulus measures implemented by the PRC government have resulted in a significant increase in the demand for mini-vans and smaller passenger vehicles - segments in which China Autoparts has a strong market position.

TRADING SEGMENT

Johnson Electric Trading was established in FY2005 to build a sourcing network in China to supply global customers with a wide range of motor-related parts and components that are not currently manufactured within Johnson Electric, and to supply specialty metals for local Asian customers.

The business delivered sales of US$62.4 million in FY2009, a decrease of US$69.0 million, or 53%, from sales of US$131.4 million in the previous year. The effects of currency changes were negligible. The trading business has been badly affected by a reduction in demand and a dramatic fall in commodity prices as a result of the recent global downturn.

FINANCIAL RESULTS

US$millions	FY2009			FY2008		
	Manufacturing	Trading	Total	Manufacturing	Trading	Total
Sales	1,766	62	1,828	2,090	131	2,221
Gross Profit/(Loss)	429	(3)	426	555	9	564
Gross Margin %	*24.3%*	*-4.8%*	*23.3%*	*26.6%*	*6.9%*	*25.4%*
Other (Losses)/Income & Gains	(8)	1	(7)	19	(1)	18
Selling and Administrative expenses	(343)	(10)	(353)	(361)	(8)	(369)
S&A %	*19.4%*	*16.1%*	*19.3%*	*17.3%*	*6.1%*	*16.6%*
Operating Profit before Restructuring	79	(13)	66	213	-	213
Restructuring costs & assets impairment	(14)	(5)	(19)	(24)	-	(24)
Operating Profit/(Loss)	65	(18)	47	189	-	189
Operating Margin %	*3.7%*	*-29.0%*	*2.6%*	*9.0%*	*0.0%*	*8.5%*
Finance Costs, net	(9)	-	(9)	(18)	(1)	(19)
Profit/(Loss) Before Income Tax	56	(18)	38	171	(1)	170
	3.2%	*-29.0%*	*2.1%*	*8.2%*	*-0.8%*	*7.7%*
Income Tax			-			(32)
Profit from Continuing Operations			38			138
Discontinued operations*			(31)			-
Profit for the year			7			138
Minority Interest			(4)			(7)
Profit Attributable To Shareholders			3			131

**Green Vision Group*

Sales

Total Group Sales for FY2009 were US$1,828 million, a decrease of US$393 million, or 17.7%, from US$2,221 million in the previous year, as described in the table on page 16 and in the commentary which follows on pages 16 to 28.

First Half versus Second Half

An analysis of sales and profit comparing the first and second halves of FY2009 is shown below:

US$ millions	1H FY2009	2H FY2009	Total
Sales	1,130	698	1,828
Gross Profit	293	133	426
Gross Margin %	*25.9%*	*19.1%*	*23.3%*
Other (Losses)/ Income & Gains	8	(15)	(7)
Selling and Administrative expenses	(203)	(150)	(353)
S&A %	*18.0%*	*21.4%*	*19.3%*
Operating Profit/(Loss) before Restructuring	98	(32)	66
Restructuring costs & assets impairment	(2)	(17)	(19)
Operating Profit/(Loss)	96	(49)	47
Operating Margin %	*8.5%*	*-7.0%*	*2.6%*
Finance Costs, net	(6)	(3)	(9)
Profit/(Loss) Before Income Tax	90	(52)	38
Income Tax	(14)	14	0
Profit/(Loss) from continuing operations	76	(38)	38
Discontinued operations*	(28)	(3)	(31)
Profit/(Loss) for the year	48	(41)	7
Minority Interest	(2)	(2)	(4)
Profit/(Loss) Attributable To Shareholders	46	(43)	3

**Green Vision Group*

Due to the significant downturn in sales in the second half of FY2009, gross profit was US$133 million, a decrease of US$160 million from the US$293 million in the first half. As a percentage of sales, gross margin declined from 25.9% to 19.1% primarily due to lower volumes.

As a result of this decline in sales and related profit contribution, the Group's profitability in the first half was not sustainable and a loss on continuing operations of US$52 million, before tax recovery, was incurred in the second half of FY2009. In response to the declining sales, management moved rapidly to reduce all costs across the Group's global operations but could not initially keep pace with the very rapid erosion of sales and profit contribution. However, these initiatives and actions will favourably affect FY2010.

Forecasting demand for FY2010 remains difficult and, as a consequence, so is forecasting profitability. There are many factors outside our control and difficult to project. However, with the actions we are taking to address market, product, and innovation opportunities, we expect to see some improvement in sales compared to the second half of FY2009 provided there are no new adverse developments in the markets we serve. With some increase in sales and with the impact of the many cost reduction initiatives and programs launched during the second half of FY2009 which are now taking full effect, the Group should be able to return to profitability in the first half of FY2010.

Full Year Profit and Loss Analysis

The following analysis of the Profit and Loss Account is by the segments Manufacturing, Trading and Discontinued Operations, comparing profitability for FY2009 with profitability for the previous year.

MANUFACTURING SEGMENT

Gross Profit

Gross profit for the year was US$429.3 million in FY2009, a decrease in the year of US$126.1 million, or 22.7%, from US$555.4 million in the previous year. As a percentage of sales, gross margin decreased from 26.6% to 24.3%.

During the year, gross profit decreased by US$9.3 million as a result of changes in the relative value of currencies, by US$43.4 million as a result of the adverse external factors noted below, and by a net US$73.4 million as a result of lower volumes and changes to product mix offset in part by lower costs resulting from initiatives to improve pricing and productivity.

Currency Impact

The combined effects of the Euro and other European currencies as well as the Chinese renminbi and other Asian currencies resulted in a net expense of US$9.3 million, equivalent to 0.5% of sales.

A significant proportion of the Group's sales and operations are conducted in Europe in Euro and other European currencies. During the year, the translation of these currencies resulted in sales increasing by US$11.8 million and costs increasing by US$8.3 million, resulting in a net favourable impact of US$3.5 million on gross profit.

In Asia, the translation of the Chinese renminbi and other Asian currencies resulted in sales increasing by US$14.8 million and costs increasing by US$27.6 million, resulting in a net unfavorable impact of US$12.8 million on gross profit.

External Factors

Gross profit in FY2009 was adversely impacted by ongoing pressures on a number of key cost items including copper, steel, energy costs and PRC labour rates. Combined, this "headwind" reduced gross profit by a total of US$43.4million in comparison to the previous year, equivalent to 2.5% of sales. Additionally, due to the significant and sudden downturn in sales and production volumes, a portion of our forward contracts on currency and copper which we use to offset risk from changing market prices, exceeded our requirements. This net cost has been included as "other losses, income and gains" (see below).

In the second half of FY2009 some of these pressures reduced as a result of the cooling in the global economy and the consequent reduction in demand.

Operations

Across all our businesses, the impact of the downturn in the global economy has been significant. The impact decreased gross profit by US$110.5 million compared to the previous year, equivalent to 6.3% of sales. Sales and production volumes have decreased year on year, lowering gross profit by US$86.5 million while changes in product and market mix have decreased gross profit by US$24.0 million compared to the previous year.

On the other hand, initiatives to improve production flows and efficiency as well as other operational actions, combined to enhance margins by US$12.5 million. Furthermore, pricing actions continued to provide partial relief from the adverse effects of rapidly increasing material costs, particularly in our industrial businesses and our automotive business in Asia, contributing US$24.6 million to gross profit. Together, these actions generated US$37.1 million of additional gross profit compared to the previous year, equivalent to 2.1% of sales.

Parlex

Gross profit in Parlex, net of currency effects, was up by US$6.9 million in FY2009 compared to the previous year. The work done to restructure the activities of this business and to improve yields on the shop floor is now producing positive results, generating higher levels of profitability even at a lower sales level than before. This business is now well positioned for profitable growth and to contribute to technology, product and other synergies within the Group.

Other Losses, Income and Gains

Other losses, income and gains were a loss of US$7.6 million, compared to an income of US$18.4 million in the previous year. Gains on asset disposals were US$11.7 million lower than the previous year. Additionally, losses on revaluation of investment properties resulted in an US$8.5 million adverse expense compared to the previous year when income had been recognized, but were offset in part by US$0.8 million in higher rental income. As noted in the section on 'External Factors', a portion of our currency and copper forward contracts exceeded our requirements because of the unexpected and significant downturn in the global economy. This resulted in net losses of US$6.6 million for the year.

In the first half of FY2009, we recorded a gain of US$8.4 million. This comprised US$5.7 million gains on currency contracts, US$2.1 million of rental income and US$0.6 million of gains on fixed asset and investment disposals.

In the second half, we recorded a loss of US$16.0 million. This comprised losses of US$13.2 million on commodity contracts, US$5.4 million on revaluation of investment properties and US$0.6 million on fixed asset and investment disposals. These losses were partially offset by gains of US$0.9 million on currency contracts and US$2.3 million of rental income.

Selling and Administrative Expenses ("S&A")

S&A expenses were US$343.2 million in FY2009, a decrease of US$18.0 million, or 5.0%, from US$361.2 million in the previous year. As a percentage of sales, S&A increased from 17.3% in the previous year to 19.4%.

S&A expenses denominated in foreign currencies and translated at rates higher than the previous year added US$5.2 million to costs. In addition, costs increased a further US$4.7 million to account for hedging transactions and the revaluation of monetary assets and liabilities.

Excluding these effects, S&A expenses decreased by 7.6% year on year, and were 18.9% of sales, compared with 17.3% in the previous year. Cost reduction initiatives in this area are ongoing following the sharp decline in sales in the second half of FY2009. These initiatives resulted in significant reductions in S&A expenses in the last quarter of the year.

Restructuring Costs and Assets Impairment

The Group's restructuring charges and asset impairment expenses were US$14.0 million, a decrease of US$10.0 million from US$24.0 million in the previous year. This reflects the completion of major programs in Parlex but continuing work to rationalize European operations. Cost reduction programs are ongoing to re-size our operations to reflect the reduced volumes, and to leverage synergies, particularly in Europe.

Operating Profit

Operating profit for the Manufacturing segment was US$64.6 million in FY2009, a decrease of US$124.0 million, or 65.7%, from US$188.6 million in the previous year. Operating margin reduced from 9.0% to 3.7%.

The combined currency effects on revenues and costs, detailed above, resulted in an unfavorable net impact of US$12.6 million on profit before tax, or 0.7% of sales.

TRADING SEGMENT

Gross Profit

Gross profit on the Trading segment in FY2009 was negative US$3.6 million, a decline of US$12.5 million from a gross profit of US$8.9 million in the previous year. This was due to a combination of lower volumes, losses arising from the revaluation of commodity stocks and a provision for inventory losses on goods held on consignment with a customer.

Other Losses, Income and Gains

Other losses, income and gains registered a gain of US$0.9 million in FY2009, an increase of US$1.6 million on losses of US$0.7 million in the previous year. This was due to gains on copper and aluminium forward contracts.

Selling and Administrative Expenses

Selling and Administrative expenses were US$10.3 million in FY2009, an increase of US$2.3 million from US$8.0 million in the previous year. This increase was due mainly to increases in bad debt provisions.

Restructuring Costs and Asset Impairment

Restructuring costs and Asset Impairment amounted to US$4.8 million in FY2009, an increase of US$4.8 million from the previous year. This represents an impairment of goodwill on acquisitions in prior years as a result of the downturn in business and margins in this segment.

Operating Profit

The Trading segment had an operating loss of US$17.7 million in FY2009, compared to a US$0.2 million profit in the previous year.

CONSOLIDATED GROUP PROFIT (Manufacturing and Trading segments, combined)

Operating profit for the Group, including Manufacturing and Trading operations, was US$46.9 million in FY2009, a decrease of US$141.9 million, or 75.1% on US$188.8 million in the previous year.

Group Finance Costs

Finance costs were US$9.6 million in FY2009, a reduction of US$9.1 million from US$18.7 million in the previous year. This was primarily due to lower interest rates in FY2009.

Income Tax

Tax income in FY2009 was US$0.4 million, a reduction of US$32.3 million from an expense of US$31.9 million in the previous year.

Income tax expenses in FY2009 fell by US$14.1 million due to lower profits, partially offset by a change in the mix of tax jurisdictions where profits and losses arose. The taxation charge was also reduced by the release of provisions from prior years of US$5.1 million following the finalization of tax assessments in some countries.

The increase in deferred tax income in FY2009 by US$18.3 million includes two adjustments. Following a review of potential future profitability in our North American and European operations, certain tax losses from FY2009 and prior years have been capitalized as deferred tax assets, giving rise to income in FY2009. Additionally, deferred tax assets were also increased following a review of the taxation of deferred profit on manufactured components held in inventory (products manufactured in China and held in inventory in Europe and North America before being sold to customers). This also increased income in FY2009.

Profit from Continuing Operations

Profit from continuing operations in FY2009 was US$37.8 million, a decrease of US$100.4 million, 72.6%, from US$138.2 million in the previous year. This is the net result from the profit after tax on continuing operations of US$55.8 million in the Manufacturing segment and the loss after tax of US$18.0 million in the Trading segment.

DISCONTINUED OPERATIONS

In FY2008 a new business (referred to as the Green Vision Group) was setup within the Trading segment to recycle and trade scrap metal. This business suffered in the wake of significant shifts in the supply, demand and pricing of these materials in the middle of FY2009. As it was anticipated that these turbulent conditions would continue and the risk of this operation would increase as a result, the Green Vision Group operations have been discontinued.

The accounts of the Green Vision Group operations have been prepared on a liquidation basis and, accordingly, the losses of US$31.1 million in the business including asset impairment and exit costs have been included separately in the results.

Losses from trading operations including provisions were US$4.8 million. The value of inventory held for re-sale was impaired by US$13.1 million as a result of the change in the market price of commodities. The volatile trading conditions and the exit from the business also led to bad debts and losses of deposits on contracts of US$10.2 million. Fixed assets were written down by US$3.0 million.

Minority Interest

Profit attributable to minority interests in FY2009 was US$4.1 million, a decrease of US$3.3 million from US$7.4 million in the previous year. This was primarily because a gain on the disposal of assets which occurred in the previous year in one of our majority-owned subsidiaries was not repeated.

Profit Attributable to Shareholders

Profit attributable to shareholders in FY2009 was US$2.6 million, a decrease of US$128.2 million from US$130.8 million in the previous year. Excluding Discontinued Operations, profit attributable to shareholders was US$33.7 million and earnings per share were 0.92 US cents per share, compared to 3.57

US cents per share in the previous year. Including the non-recurring US$31.1 million losses incurred in Discontinued Operations, earnings per share amounted to 0.07 US cents per share.

NET INCOME RECOGNIZED DIRECTLY IN EQUITY

The Consolidated Statement of Recognized Income and Expense included in the Accounts provides details of the income and expenses that were recognized directly in equity and reserves (not through the Profit & Loss Account). In FY2009, expenses exceeded income by US$93.6 million, while in the previous year the reverse occurred and income exceeded expenses by US$98.1 million.

The items of income and expense which are the main cause of the reversal in FY2009 relate to the currency translation effects on the net assets of the Group's foreign subsidiaries. In FY2009, the translation of these net assets at March 31, 2009 resulted in an expense of US$79.6 million due to the strengthening of the US dollar against the currencies in which these assets are held. In contrast, at the end of FY2008, the translation of net assets resulted in an income of US$110.2 million due to the weaker US dollar compared to those same currencies.

FINANCIAL POSITION AND LIQUIDITY

ANALYSIS OF CASH FLOWS

US$millions

	FY2009	FY2008	Change
Profit Before Interest and Tax*	46.9	188.8	(141.9)
Depreciation and Amortization	89.2	90.5	(1.3)
EBITDA	***136.1***	***279.3***	***(143.2)***
Other Non Cash Items in Profit Before Tax	16.8	1.6	15.2
Working Capital Change	106.9	34.9	72.0
Cash from Operating Activities	***259.8***	***315.8***	***(56.0)***
Capital Expenditure	(65.3)	(98.7)	33.4
Proceeds from sale of assets and investments	9.0	17.7	(8.7)
Operating Cash Flow less Operating Investment Activities	***203.5***	***234.8***	***(31.3)***
Net Interest Paid	(8.5)	(23.3)	14.8
Tax	(28.3)	(22.7)	(5.6)
Dividend Paid	(46.2)	(61.2)	15.0
Treasury Shares and Liquid Securities, and dividend received (net)	(1.2)	(12.3)	11.1
Pledged deposits	(17.1)	-	(17.1)
Unwind currency swap	(13.2)	-	(13.2)
Net Cash Flow - Continuing Operation	**89.0**	**115.3**	**(26.3)**
Discontinued Operation (exclude financing activities)	(13.0)	-	(13.0)
Net Cash Flow	**76.0**	**115.3**	**(39.3)**
Use of cash			
Used to repay debt	**35.5**	**9.6**	**25.9**
Net increase/(decrease) in Cash and Cash Equivalents	**41.8**	**105.4**	**(63.6)**
Net increase / (decrease) in Short Term Investment & Time Deposit	**(1.3)**	**0.3**	**(1.6)**
	76.0	**115.3**	**(39.3)**
Reconciliation to Net Debt			
Exchange (loss) / gains on net debt	**(6.5)**	**11.5**	**(18.0)**
Net Movement in Cash, Overdrafts and Borrowings (Net Debt)	**69.5**	**126.8**	**(57.3)**

* *Operating Profit per accounts*

During FY2009, cash generated from operating activities (before capital expenditure and before proceeds from the sale of fixed assets) was $259.8 million, a decrease of US$56.0 million, or 17.7%, from US$315.8 million in the previous year. Despite the challenging conditions which prevailed in the second half of FY2009, the Group continued to generate strong positive cash flow from operating activities, albeit at a lower rate than the previous year.

Compared to the previous year, cash flow decreased by US$141.9 million due to lower Profit before Interest and Tax but this was partially offset by an additional US$72 million released from working capital. In FY2009, US$106.9 million was released from working capital compared to US$34.9 million in the previous year, reflecting the effects of lowering levels of accounts receivable and inventory and the strenuous efforts to minimize working capital.

First Half versus Second Half

The profile of cash flows between the first and second halves of FY2009 is shown below:

US$millions	H1 FY2009	H2 FY2009
Profit Before Interest and Tax*	95.7	(48.8)
Depreciation and Amortization	45.8	43.4
EBITDA	***141.5***	***(5.4)***
Other Non Cash Items in Profit Before Tax	(1.6)	18.4
Working Capital Change	(18.9)	125.8
Cash from Operating Activities	***121.0***	***138.8***
Capital Expenditure	(36.1)	(29.2)
Proceeds from sale of assets and investments	4.2	4.8
Operating Cash Flow less Operating Investment Activities	***89.1***	***114.4***
Net Interest Paid	(3.6)	(4.9)
Tax	(13.7)	(14.6)
Dividend Paid	(46.2)	-
Treasury Shares and Liquid Securities, and dividend received (net)	-	(1.2)
Pledged deposits	-	(17.1)
Unwind currency swap	-	(13.2)
Net Cash Flow - Continuing Operation	**25.6**	**63.4**
Discontinued Operation (exclude financing activities)	(23.9)	10.9
Net Cash Flow	**1.7**	**74.3**
Use of cash		
Used to repay debt	**4.1**	**31.4**
Net increase/(decrease) in Cash and Cash Equivalents	**(1.1)**	**42.9**
Net increase / (decrease) in Short Term Investment & Time Deposit	**(1.3)**	**0.0**
	1.7	**74.3**
Reconciliation to Net Debt		
Exchange (loss) /gains on net debt	**(3.4)**	**(3.1)**
Net Movement in Cash, Overdrafts and Borrowings (Net Debt)	**(1.7)**	**71.2**

* *Operating Profit per accounts*

For Continuing Operations, Earnings before Interest, Taxation, Depreciation, and Amortization (EBITDA) for the first half of FY2009 amounted to US$141.5 million, but with the lower levels of sales and profit contribution in the second half a loss of US$5.4 million resulted. However, in response to reduced sales and production activity, actions were taken to control and reduce inventories and receivables and to negotiate new supplier terms. As a result, Cash from Operating Activities was US$138.8 million in the second half, an increase of US$17.8 million from the first half. The rate of capital expenditure was also reduced in the second half compared to the first.

Working Capital and Provisions

Overall, working capital and provisions decreased by US$103.0 million, from US$255.5 million to US$152.5 million. The underlying cash contribution from working capital reductions was US$106.9 million (see also cash flow statement above at "working capital change").

US$ millions	**31st Mar 08**	Currency translation	Acquisitions	Pension, Hedging & Interest Payable	Unwind contract	Discontinued Operation	Continuing Operation	**31st Mar 09**
Stocks and other work in progress	**269.9**	(23.1)	1.0			(1.1)	(43.9)	**202.8**
Trade and other receivables	**505.6**	(31.4)	0.7			(25.9)	(176.6)	**272.4**
Trade and other payables	**(352.3)**	20.3	(1.3)	0.9		11.4	95.0	**(226.0)**
Provisions and other liabilities*	**(73.2)**	9.7	-	(5.9)			4.7	**(64.7)**
Other financial liabilities, net	**(94.5)**	47.9		(12.5)	13.2		13.9	**(32.0)**
Total Working Capital per Balance Sheet	**255.5**	23.4	0.4	(17.5)	13.2	(15.6)	(106.9)	**152.5**

** Current and non current*

Stocks and work in progress decreased by US$67.1 million, from US$269.9 million to US$202.8 million. Currency translation changes resulted in a decrease in stock of US$23.1 million. Excluding these effects as well as the US$1.0 million increase in stock and work in progress resulting from the acquisition of Fully Motor Limited and the reduction in inventory in discontinued operations by US$1.1 million, stocks and work in progress decreased by US$43.9 million. This was mainly due to destocking in response to reduced demand. After adjusting for currency effects, inventory turns (the ratio of cost of goods sold to stock) improved from 6.7 at 31st March 2008 to 6.9 at 31st March 2009.

Trade and other receivables decreased by US$233.2 million, from US$505.6 million to US$272.4 million. Of this decrease, US$31.4 million was due to currency translation changes. Excluding the currency effect, as well as the US$0.7 million increase in receivables resulting from the acquisition of Fully Motor Limited and a reduction in receivables in discontinued operations by US$25.9 million, trade and other receivables decreased by US$176.6 million.

This was mainly due to a reduction in trade receivables, net of bad debt provisions. At 31st March 2009 this totalled US$223.5 million, of which 96.2% was current or aged less than 30 days past due, and only 0.7% was aged over 90 days past due. Overdue trade receivables decreased by US$39.4 million from US$61.0 million to US$21.6 million. Days Sales Outstanding for the Group decreased from 65 days to 62 days. This reflects an increasing focus by the Group on receivables and risk in response to changing market and economic conditions which also helped prevent an increase in the incidence of bad debts in the Group's core businesses.

Trade and other payables decreased by US$126.3 million, from US$352.3 million to US$226.0 million. US$20.3 million of this decrease was due to currency translation changes. Excluding the currency effect as well as the US$1.3 million increase in payables resulting from the acquisition of Fully Motor Limited, the US$0.9 million decrease in interest payable, and the US$11.4 million reduction in payables in discontinued operations the trade and other payables decreased by US$95.0 million. Trade creditor days for the Group increased from 64 to 70.

Long-term and short-term provisions decreased by US$8.5 million from US$73.2 million to US$64.7 million. Currency translation changes accounted for US$9.7 million of the decrease while provisions for pensions increased by US$5.9 million and other provisions reduced by US$4.7 million.

Net other financial liabilities were US$32.0 million in FY2009, a reduction of US$62.5 million from US$94.5 million in the previous year. The Company enters into forward contracts to mitigate its exposure to the risks of volatile exchange rates and commodity prices. These mainly take the form of forward contracts where we lock into a forward currency rate or commodity price. In addition, a cross currency interest rate swap was entered into in FY2006 where a portion of US dollar borrowings were swapped into Swiss francs. These can be analyzed as follows:

US$million	31st March 2009			31st March 2008		
	Asset	Liability	Net	Asset	Liability	Net
Currency	3.2	-	3.2	1.9	(25.0)	(23.1)
Interest	-	(1.0)	(1.0)	-	-	-
Commodity	2.7	(15.0)	(12.3)	13.2	-	13.2
Others	0.5	-	0.5	-	-	-
Current	6.4	(16.0)	(9.6)	15.1	(25.0)	(9.9)
Non current	-	(22.4)	(22.4)	-	(84.6)	(84.6)
Total	**6.4**	**(38.4)**	**(32.0)**	**15.1**	**(109.6)**	**(94.5)**

The currency forward position was an asset of US$3.2 million as at 31st March 2009 whereas as at 31st March 2008 the forward position was a net liability of US$23.1 million. This is because of a significant reduction in open forward contract positions.

Commodity hedging contracts for copper were classified as a net liability of US$12.3 million at 31st March 2009, compared to a net asset of US$13.2 million at 31st March 2008. This reflects the falling price of copper over the period.

Other financial liabilities classified as non current (long-term) have reduced by US$62.2 million from US$84.6 million to US$22.4 million. This mainly relates to the cross currency interest rate swap between US dollars and Swiss francs. Due to the unwinding of US$106 million of this contract and the weakening of the Swiss franc against the US dollar at the balance sheet date, this liability has declined by US$61.2 million from US$82.8 million to US$21.6 million.

Capital Expenditure (and proceeds from sale of assets and investments)

Capital Expenditure decreased by US$33.4 million in FY2009, from US$98.7 million to US$65.3 million. The Company continues to invest in machinery and equipment which enables innovation, new product manufacture, and improved process flow and efficiency. In the near-term, however, we expect capital expenditure to be significantly reduced as a reflection of diminished sales activity and our cash conservation programs.

Proceeds from the sales of assets and investments were US$9.0 million in FY2009, US$8.7 million lower than the previous year when asset disposals were unusually high.

Operating Cash Flow less Operating Investment Activities

Operating cash flow less operating investment activities, for continuing operations, was US$ 203.5 million in FY2009, a reduction of US$31.3 million from US$234.8 million in the previous year. In light of the downturn in sales and manufacturing activity, this still represents a relatively strong cash generation performance at 11.1% of sales (compared to 10.6% in the previous year).

Interest and Tax

Interest paid, net of interest received, decreased in FY2009 by US$14.8 from US$23.3 million to US$8.5 million. This results mainly from a reduction in interest rates on debt.

Taxes paid in FY2009, net of refunds, increased by US$5.6 million from US$22.7 million to US$28.3 million. In the previous year, tax refunds were received which related to businesses in Germany and Switzerland.

Dividends

The dividend of US$46.2 million paid in the year was the final dividend in respect of in respect of FY2008. No interim dividend for FY2009 was paid as the Directors determined that cash should be conserved within the business.

Other Cash Movements

Cash payments for investments in treasury shares and securities, and cash received from dividends and sales of other investments, decreased by US$11.1 million from US$12.3 million to US$1.2 million.

A US$17.1 million deposit was made against an irrevocable standby letter of credit with a US court regarding a legal case in dispute. The company expects to recover this amount at a later date after the appeal case is heard.

US$106.0 million of the US$259.0 million cross currency interest rate swap was unwound in the year. This resulted in a cash outflow of US$13.2 million.

Net Cash Flow from Continuing Operations

Net cash flow from continuing operations was US$89.0 million in FY2009, a decrease of US$26.3 million, or 22.8%, on US$115.3 million in the previous year.

Discontinued Operations

The Green Vision Group operations, which were discontinued in FY2009, consumed cash of US$13.0 million in its operations.

Net Cash Flow

Net cash flow was US$76.0 million in FY2009, a decrease of US$39.3 million, or 34.1% from US$115.3 million in the previous year.

Net Movement in Cash and Borrowings

The Group's debt to equity ratio (calculated on the total borrowings net of cash, to total equity) was 23% at end of FY2009, down from 26% at end of FY2008.

After adjusting for the currency translation effects of a weaker Euro and changes in the value of other currencies on our bank balances held in foreign currencies, net borrowings (total long and short term borrowings net of cash) fell overall by US$69.6 million in FY2009, from US$296.5 million to US$226.9 million. This overall reduction in net borrowing resulted from an increase in cash and cash equivalents of US$34.0 million together with a reduction in short term bank overdrafts by US$36.7 million, offset by a US$1.1 million increase in long term borrowings.

FINANCIAL MANAGEMENT AND TREASURY POLICY

The management of financial risk in the Group is the responsibility of the Group's treasury function at the corporate centre based in Hong Kong. Policies are established by senior management.

Liquidity

For day-to-day liquidity management and to maintain flexibility in funding, the Group has about US$300 million of uncommitted short-term borrowing facilities provided by its principal relationship banks.

Foreign Currency

The Group operates globally and is thus exposed to foreign exchange risk.

The major sales generating currencies continue to be the US dollar, the Euro and the Chinese renminbi. In the Group's Automotive and Industrial businesses, for FY2009, 47% of the sales (45% in the previous year) were in US dollars, 37% in Euros (38% in the previous year), 7% in Chinese renminbi and the rest in other currencies including Japanese yen. The major currencies used for purchases of materials and services are the US dollar, the Euro, the Hong Kong dollar and the Chinese renminbi. Open foreign exchange exposures in Euro and renminbi are hedged with currency contracts, including forward and options contracts, with a view to reducing the net exposure to currency fluctuations.

RISK MANAGEMENT

Management monitors risks of all sorts and undertakes initiatives and reviews to assess and manage them.

External economic and environmental conditions can impact the business operations and results of the Company. For example, the downturn in the global economy which impacted the second half of the year has changed the Group's short-term risk profile.

The impact of the economic slowdown on the automotive industry has implications for our business. For the year as a whole, sales related to the automotive segment totalled US$905 million and, at 31st March 2009, we had over US$100 million of trade receivables from customers in global automotive markets, mostly component and sub-system manufacturers. Apart from monitoring the creditworthiness and payment records of our customers, we closely monitor developments with the automotive industry, in particular the activities of the "Big 3" Detroit based corporations. The Chrysler bankruptcy and reorganization is being carried out in such a way as to protect the companies in their supply chain, and we consider this method a lead indicator as to how other such restructurings could occur in other OEMs. This indicates that our customers, often Tier 1 or 2 suppliers to the OEMs, will be reasonably protected and that we will not see bankruptcies proliferate throughout the automotive supply chain. However, given the increase in commercial credit risk in general, we are currently strengthening credit management processes across the Group to mitigate the risk of slow payment or bad debts from our customers.

The impact of significantly lower demand on our operations is also being continuously evaluated. The Company is resizing the operation to reflect the reduced level of sales and production. In this process we seek to unlock synergies between the different parts of our global operations to help mitigate the adverse consequences of this economic downturn in the short-term and to then help quickly grow profitability as soon as global business conditions recover.

Given the volatility of foreign currency exchange rates the Company now has reduced the extent to which it buys or sells currency forward. Forward currency contracts are now made to cover open receivables and payables positions but not future projected cash flows which are difficult to predict.

Profitability is impacted by changes in copper commodity prices. The recent economic downturn has resulted in significant volatility in commodity prices as well as the company's ability to forecast copper consumption. The Company therefore enters into forward contracts for copper purchases only when forecast levels of consumption are reasonably certain.

Changes in steel commodity prices also impact our profitability. To ensure continuity of supply and avoid the risks of material shortages and significant price volatility the Company has developed a range of commercial partnerships with steel suppliers.

Quality problems can result in warranty claims. We continue to develop high quality engineering and manufacturing processes across our operations which enable us to minimize these risks. Development of higher and more consistent quality is a key objective of our restructuring activity.

The Company faces competition, sometimes based on cost. In our traditional markets, we strive to differentiate our products primarily through technology and innovation, and by being the safe choice for our customers. In contrast, for some of the markets which now constitute major growth opportunities but in which low cost can be more critical than technology and functionality, we are now focused on developing products at a price point which will help us compete effectively with lower cost manufacturers.

INVESTING IN PEOPLE

Johnson Electric (JE) is a diverse and multi-national business. As a global corporation our challenge is to develop our existing staff, to provide positions of increasing responsibility to employees around the world without regard to race, creed or culture, and to attract and retain individuals at all levels in the organization who will dedicate their intelligence and loyalty to improving the performance of the business.

Johnson Electric develops "bench strength" and enhances management continuity by identifying and developing potential successors for all key roles. Performance management is actively supported and practiced throughout the Company, competency standards are established, and results are measured.

To build our already strong employment brand, we recruit and develop high performers and provide a work environment where individuals at all levels, whether in manufacturing, technology or the supporting functions, can build knowledge via experience and training. The employment brand will be further enhanced via a global salary administration structure now being installed which will provide equity and discipline to compensation. We are also developing and expanding our short and long term incentive programmes and have focused senior management on developing an organization structure that will allow the business to expand globally without diluting the hands-on operating and business practices that are embraced by Johnson Electric employees, from junior trainees on our shop floors to the CEO.

CORPORATE GOVERNANCE

Johnson Electric is committed to achieving high standards of corporate governance that properly protect and promote the interests of its shareholders and devotes considerable effort to identifying and formalising best practices of corporate governance.

The monitoring and assessment of certain governance matters are allocated to four committees: Audit Committee, Remuneration Committee, Nomination And Corporate Governance Committee and Board Committee which operate under defined terms of reference and are required to report to the full board on a regular basis.

Full details of the Corporate Governance Report are set out in the Annual Report 2009 of the Company.

Code on Corporate Governance Practices

During the year ended 31st March 2009, the Company had complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for the following deviations:

Code Provision A.2.1

Code A.2.1 provides, inter alia, that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Neither the Company's Bye-Laws nor The Johnson Electric Holdings Limited Company Act, 1988 (a private act of Bermuda) contains any requirement as to the separation of these roles.

Dr. Patrick Shui-Chung Wang is the Chairman and Chief Executive of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Company at its present stage of development that Dr. Wang should hold both these offices. The Board believes that it is able effectively to monitor and assess management in a manner that properly protects and promotes the interests of shareholders.

Code Provision A.4.1 and A.4.2

Code A.4.1 provides, inter alia, that non-executive directors should be appointed for a specific term, subject to re-election.

Code A.4.2 also provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The independent non-executive directors were appointed for a specific term while the non-executive directors do not have a specific term of appointment. However, under Section 3(e) of The Johnson Electric Holdings Limited Company Act, 1988 and the Company's Bye-Law 109(A), one-third of the directors who have served longest on the Board must retire thus becoming eligible for re-election at each Annual General Meeting. Accordingly, no director has a term of appointment longer than three years. Bye-Law 109(A) states that the executive chairman is not subject to retirement by rotation and shall not be counted in determining the number of directors to retire.

In the opinion of the Board, it is important for the stability and beneficial to the growth of the Company that there is, and is seen to be, continuity of leadership in the role of the Chairman of the Company and, in consequence, the Board is of the view that the Chairman should not be subject to retirement by rotation or hold office for a limited term at the present time.

Model Code for Securities Transactions

The Group has adopted procedures governing directors' securities transactions in compliance with the Model Code as set out in Appendix 10 of the Listing Rules. Specific confirmation has been obtained from all directors to confirm compliance with the Model Code throughout the year ended 31st March 2009. No incident of non-compliance was noted by the Company in 2008/09.

Employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with guidelines on no less exacting terms than the Model Code.

REVIEW OF ANNUAL RESULTS

The Company’s annual results for the year ended 31st March 2009 has been reviewed by the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year except in connection with the share purchase for the Long-Term Incentive Share Scheme for eligible employees.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.johnsonelectric.com) and the Stock Exchange (www.hkex.com.hk). The Company’s Annual Report 2009 will be despatched to the shareholders and available on the same websites on or about 29th June 2009.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors of the Company comprises Patrick Shui-Chung Wang, Winnie Wing-Yee Wang, Richard Li-Chung 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, Oscar de Paula Bernardes Neto, Laura May-Lung Cha and Michael John Enright being the Independent Non-Executive Directors.

On behalf of the Board of Directors
Patrick Shui-Chung Wang
Chairman and Chief Executive

Hong Kong, 5th June 2009

Website: www.johnsonelectric.com