



31 March 2005

**Centurion Electronics plc
("Centurion" or the "Company")**

Pre Close-Period Trading Statement

Further to the announcement made on 2 March 2005 the Board of Centurion announces that the challenging conditions reported by its retail customers over the Christmas period have continued through to March. Sales for the six months to 31 March 2005 are expected to be ahead of the same period last year but will be lower than management forecast for the period.

The combination of poor UK high street sales and the supply chain management issues, referred to previously, have given rise to a significantly higher level stock than forecast. The Company has also experienced significant component price deflation from an expanding manufacturing base in the Far East, which is eroding stock values further. The Board announced that the Company was expecting to report a write down in the value of stock of up to £1.4 million in the current year. As a result of these factors, and despite an increased level of activity from certain clients in the UK and in Europe, the Board now anticipates that a write down of £1.4 million will be reported in the first half figures but that it may be necessary to make a further write down of up to a further £1.0 million in the second half.

While high street conditions remain uncertain the Board believes that, although the Company will report profits before tax and stock write down for the year to 30 September 2005 which are ahead of last year, profits will fall below current market expectations.

The Company anticipates that conditions will improve in the second half. For example the Company is working closely with Media Markt, a subsidiary of Metro AG Group and one of Centurion's largest German retail clients, which is undertaking a National promotion for the popular Plug & Play Blue® DVD product range. During the first week in April Media Markt is undertaking a mail shot that will be distributed to 27 million households across Germany.

Despite poor retail market conditions, the Board continues to focus on the successful development of automotive business, which is exceeding expectations. The Board is pleased to announce that Toyota Motor Marketing Europe has signed a development request to supply two new European models with bespoke in car entertainment systems.

In addition, Centurion announces that it has reached agreement with Infosys Technologies Ltd to provide additional technical resources for the expansion of the Company's automotive business through Infosys' offshore engineering services. The Board believes that this will help maintain Centurion's position as the leading UK supplier of in-car entertainment products to European automotive manufacturers.

The Board emphasises that despite difficult retail trading conditions the underlying performance of the business remains strong.

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