

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, who specialises in advising on the acquisition of shares and other securities.

If you sell or have sold or otherwise transferred all of your Ordinary Shares in Centurion Electronics PLC you should deliver this document together with the enclosed Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Application will be made for the Placing Shares and the Charles Stanley Shares to be admitted to trading on the AIM market of the London Stock Exchange Plc ("AIM"). It is expected that admission to AIM will become effective and that dealings in the Placing Shares and the Charles Stanley Shares will commence on 14 March 2006. It is anticipated that trading in the Existing Ordinary Shares on AIM will resume on 17 February 2006. AIM is a market designed primarily for emerging and smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange Plc has not itself examined or approved the contents of this document.

The Directors, whose names are set out on page 5, accept responsibility for the information set out in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

CENTURION ELECTRONICS PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with No: 2826917)

**Proposed Placing and Issue of 510,000,000 new Ordinary Shares
at 0.5 pence per new Ordinary Share**

Proposed Issue of Convertible Loan Notes

Proposed Increase in Authorised Share Capital

Proposed Adoption of New Articles

**Preliminary Announcement of Unaudited Results for
the 12 months to 30 September 2005**

and

Notice of Extraordinary General Meeting

This document does not constitute an offer of securities and accordingly is not a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules.

Notice of an Extraordinary General Meeting of Centurion Electronics PLC to be held at the offices of Finers Stephens Innocent LLP, 179 Great Portland Street, London W1W 5LS on 13 March 2006 at 10.00 a.m. is set out at the end of this document. Whether or not you intend to be present at the EGM you are urged to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon so as to arrive as soon as possible and in any event not later than 10.00 a.m. on 11 March 2006.

The Placing Shares have not been, and will not be, registered under the United States Securities Act 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of Ireland or Japan. Accordingly, subject to certain exceptions, the Placing Shares may not, directly or indirectly, be offered, sold or taken up, delivered or transferred in or into the United States, Canada, Australia, the Republic of Ireland or Japan.

Charles Stanley Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Centurion Electronics PLC and for no one else in connection with the proposals described in this document and will not be responsible to anyone other than Centurion Electronics PLC for providing the protections afforded to customers of Charles Stanley Securities nor for giving advice to any other person on the contents of this document or in relation to such proposals generally. No liability is accepted by Charles Stanley Securities for the accuracy of any information or opinions contained in, or for the omission of any material information from, this document for which the Directors of Centurion Electronics PLC are solely responsible.

The Placing Shares and the Existing Ordinary Shares are not dealt in on any other investment exchange and no other such application has been made.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2006
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 11 March
Extraordinary General Meeting	10.00 a.m. on 13 March
Admission and dealings in the Placing Shares and the Charles Stanley Shares expected to commence on AIM	8.00 a.m. on 14 March
Admission and dealings in the Portimao Shares expected to commence on AIM	8.00 a.m. on 15 March

PLACING STATISTICS

Placing Price	0.5p
Number of Existing Ordinary Shares	24,814,427
Number of Placing Shares	510,000,000
Number of Ordinary Shares in issue following Admission	684,014,427*
Fully diluted number of Ordinary Shares upon full conversion of all of the Convertible Loan Notes	882,614,427
Market capitalisation of the Company at the Placing Price following Admission	£3.41 million*
Gross proceeds of the Placing receivable by the Company	£2.55 million
Estimated net proceeds of the Placing receivable by the Company	£2.50 million

* Includes 120 million shares to be admitted on the day following Admission

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Act”	the Companies Act 1985, as amended
“Admission”	the admission of the Placing Shares and the Charles Stanley Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the rules governing the admission to, and operation of, AIM contained in the document entitled the “AIM Rules” published by the London Stock Exchange
“Articles”	the articles of association of the Company as at the date of this document
“Centurion” or the “Company”	Centurion Electronics PLC
“Charles Stanley”	Charles Stanley Securities, a division of Charles Stanley & Co. Limited
“Charles Stanley Shares”	the 29,200,000 new Ordinary Shares to be issued and allotted to Charles Stanley, credited as fully paid, at the Placing Price per share in accordance with the terms of the Placing Agreement
“Circular”	means this document
“Convertible Loan Notes”	the £1,000,000 7.5% secured convertible loan notes 2009 to be issued to Ravensworth under the terms of the Loan Note Instrument and in accordance with the Ravensworth Agreement
“CREST”	the relevant system (as defined in the Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the Regulations)
“Deferred Shares”	the deferred shares of £1 each in the capital of the Company
“Directors” or the “Board”	the directors of the Company, whose names appear on page 5 of this document
“EGM” or “Extraordinary General Meeting”	the Extraordinary General Meeting of the Company convened for 10.00 a.m. on 13 March 2006 by the Notice of EGM and any adjournment thereof
“Existing Loan Agreement”	the loan agreement dated 3 February 2006 made between the Company and Ravensworth for the amount of up to £750,000
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this document
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders at the EGM
“FSMA”	the Financial Services and Markets Act 2000 (as amended) including any revisions made pursuant thereto
“Group”	the Company and its subsidiaries from time to time
“HSBC”	HSBC Bank Plc
“Loan Agreement”	the conditional loan agreement, in the agreed form, to be entered into at Admission between the Company and Ravensworth in accordance with the terms of the Ravensworth Agreement for up to £250,000 which can be drawdown by the Company
“Loan Note Instrument”	the loan note instrument, in the agreed form and constituting the Convertible Loan Notes, to be approved by the Company at the EGM
“Loan Repayment Agreement”	the conditional agreement dated 17 February 2006 between the Company and Portimao, which is described in further detail in Part I of this document
“London Stock Exchange”	London Stock Exchange Plc

“New Articles”	the articles of association of the Company proposed to be adopted by the Company pursuant to Resolution 5, further details of which are set out in this document
“Notice of EGM”	the notice of EGM set out at the end of this document
“OEM”	original equipment manufacturer
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company
“Placing”	the conditional placing of the Placing Shares with institutional and other investors and of the Convertible Loan Notes pursuant to the terms of the Placing Agreement and as described in this document
“Placing Agreement”	the agreement dated 17 February 2006 between the Company, the Directors and Charles Stanley in connection with the Placing, details of which are set out in Part I of this document
“Placing Price”	0.5p per Placing Share
“Placing Shares”	the 510,000,000 new Ordinary Shares which have been conditionally subscribed in accordance with the terms of the Placing Agreement
“Portimao”	Portimao Investments Limited, a company registered in Gibraltar with registration number 33851 whose registered office is 3 Bell Lane, Gibraltar
“Portimao Shares”	the 120,000,000 new Ordinary Shares to be subscribed by Portimao in accordance with the terms of the Loan Repayment Agreement and which are to be admitted to trading on AIM on the next business day following Admission
“Proposals”	the proposals outlined in Part I of this document
“Ravensworth”	Ravensworth (International) Limited, a company registered in Gibraltar with registration number 88668 who registered office is at 57/63 Line Wall, Gibraltar
“Ravensworth Agreement”	the agreement dated 17 February 2006 between the Company and Ravensworth, further details of which are set out in Part I of this document
“Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and as amended from time to time
“Resolutions”	the resolutions set out in the Notice of EGM
“Restructuring”	the restructuring of the Company’s finances as outlined in Part I of this document
“Shareholders”	holders of Ordinary Shares
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA

PART I

LETTER FROM THE CHAIRMAN

CENTURION ELECTRONICS PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with No: 2826917)

Directors:

Brian Hendon (Non-Executive Chairman)
Malcolm Diamond (Non-Executive Director)
Christopher Rhodes (Chief Executive)
Michael Harrison (Finance Director)
Keith Davis (Executive Director)

Registered Office

Satellite House
City Park
Swiftfields
Welwyn Garden City
Herts
AL7 1LY

17 February 2006

To Shareholders and, for information only, to holders of options over Ordinary Shares

Dear Shareholder,

Introduction

Following the announcement on 30 November 2005 that Centurion had requested that trading of its shares on AIM be suspended, the Company announced on 7 February 2006 that it had reached agreement with its lenders under the terms of which the Company's debts and other obligations would be restructured. The purpose of this Circular is to explain to Shareholders the reasons for the Restructuring and to set out the terms of the Placing, the issue of the Convertible Loan Notes, the allotment of the Portimao Shares and the entering into of the Loan Agreement to finance the Restructuring and to provide adequate working capital for the Company's future requirements.

The Company announced earlier today that it has conditionally raised £2.50 million (net of expenses) through a placing of 510,000,000 new Ordinary Shares at a placing price of 0.5p per share. The Company is also proposing to raise a further £1,000,000 through the issue of the Convertible Loan Notes, further details of which are set out below.

The Company also announces that it has reached agreement with its principal lender Portimao that, simultaneous with and conditional upon completion of the Placing, of the sum of £3,605,961.35 plus accrued interest due to Portimao, the Company will repay the amount of £2.6 million due to Portimao, through a cash payment of £2.6 million, of which the sum of £600,000 will immediately be used by Portimao to subscribe for 120,000,000 new Ordinary Shares at the Placing Price per share. The balance of the debt owed by the Company to Portimao of £1,005,961.35, plus all accrued interest to the date of repayment owed to Portimao will be waived by Portimao, under the terms of the Loan Repayment Agreement, further details of which are set out below.

Following implementation of the Loan Repayment Agreement and completion of the Placing, Centurion will have no borrowings other than the £1,000,000 Convertible Loan Notes and up to a further £250,000 working capital facility to be provided by Ravensworth under the Loan Agreement. Portimao's interest in the Company's debt arises from an agreement between Portimao and HSBC dated 27 January 2006 under the terms of which HSBC novated all of the Company's indebtedness then owed to HSBC to Portimao.

The Restructuring is necessary to secure the Company's future. The Directors realise that the proposed Placing, the issue of the Convertible Loan Notes and the allotment of the Charles Stanley Shares and Portimao Shares will be extremely dilutive to Shareholders, but it is the Board's opinion that these measures represent the most appropriate and viable option to secure the Company's future while preserving some value for Shareholders.

Set out in Part II of this document are the unaudited preliminary results of the Company for the year to 30 September 2005. The Company's auditors have yet to complete their audit work in respect of the year to 30 September 2005, but are expected to do so once the Placing, the Loan Repayment

Agreement, the allotment of the Portimao Shares, the Ravensworth Agreement and the Loan Agreement have all been completed and the Convertible Loan Notes issued and subscribed.

Completion of the Placing, the Loan Repayment Agreement, the Loan Agreement, the Ravensworth Agreement, the allotment of the Portimao Shares and the subscription and issue of the Convertible Loan Notes are subject, *inter alia*, to the passing of the Resolutions to be proposed at the Extraordinary General Meeting to be held at 10.00 am on 13 March 2006, details of which are set out below. If the Resolutions to authorise the allotment of the Placing Shares are passed, it is expected that the Placing Shares will be admitted to trading on AIM on 14 March 2006. The Board anticipates that dealings in the Existing Ordinary Shares will recommence from 8.00 a.m. 17 February 2006.

The purpose of this document is to provide you with information on the Company and to outline the reasons for the Placing, the issue of the Convertible Loan Notes, the allotment of the Portimao Shares and the Charles Stanley Shares, the terms of the Loan Agreement, the Loan Repayment Agreement and the Ravensworth Agreement and to explain why the Board considers the Proposals to be in the best interests of the Company and Shareholders as a whole and why it recommends that you vote in favour of the Resolutions.

An EGM has been convened for 13 March 2006, at which Shareholders will be asked to consider, and if thought fit, to approve the Resolutions in order to implement the Proposals and to enable the Restructuring as outlined in this document to be completed. Details of the EGM are set out in the Notice of EGM, which is set out at the end of this document. All of the Directors have irrevocably undertaken to vote in favour of the Resolutions in respect of their entire shareholdings, which total 98,000 Ordinary Shares representing 0.39 per cent. of the issued ordinary share capital of the Company.

Background to and reasons for the Placing

Centurion has experienced difficult trading conditions over the last eighteen months, specifically in the Company's retail division. The management has sought to restructure the business to focus upon the Company's core activities – providing high quality rear seat entertainment systems for a number of the world's leading automotive manufacturers.

The challenges encountered by Centurion in the retail market contributed to excessively high levels of stocks, which in turn revealed various flaws within the Company. The Board has focused, with the support of its bankers, HSBC, on reducing the stock to more appropriate levels, while at the same time reducing the level of indebtedness that had been financing the high stock levels. The Board has also restructured the Company's operational management and systems and the Board is now confident that this exercise has been successfully completed.

On 27 January 2006 the Company consented to the novation by HSBC of all of the loans owed by and debts due from Centurion to HSBC pursuant to an agreement made between HSBC and Portimao. The Company has since reached agreement with Portimao to repay and cancel the Company's debt in accordance with the Loan Repayment Agreement, details of which are set out below. In addition on 27 January 2006 the Company entered into an agreement with HSBC Invoice Finance (UK) Limited ("HSBC Finance") and HSBC whereby HSBC Finance agreed to terminate the debt purchase agreement which it had with the Company and release all the security which it had been granted over the Company.

Principal terms of the Restructuring

(a) The Loan Repayment Agreement

On 17 February 2006, Portimao entered into a deed acknowledged by the Company whereby Portimao agreed that the outstanding debt of £3,605,961 together with all accrued interest owed to it by the Company would, conditional upon Admission, be satisfied on the following terms

- (i) on Admission, the Company will repay the sum of £2,600,000 and immediately thereafter Portimao will subscribe for, and be allotted, 120,000,000 Ordinary Shares at a subscription price of 0.5p per share;
- (ii) following the completion of (i) above, the debt due to Portimao by the Company will have been reduced to £1,005,961 plus all accrued interest which will then be cancelled and waived by Portimao and all the security held over the Company by Portimao will be released.

(b) The Ravensworth Agreement

On 17 February 2006, the Company entered into an agreement with Ravensworth pursuant to which Ravensworth has agreed that immediately following Admission it will subscribe for all of the Convertible Loan Notes in the amount of £1,000,000. The subscription of £1,000,000 shall be satisfied by the Company setting off against the subscription monies all amounts owed on Admission to Ravensworth by the Company pursuant to the terms of the Existing Loan Agreement with the amount of any shortfall being subscribed by Ravensworth in cash. Upon subscription in full by Ravensworth of the Convertible Loan Notes the Existing Loan Agreement will be terminated. The Company anticipates that the Existing Loan Agreement will have been fully drawdown prior to Admission.

In addition under the terms of the Ravensworth Agreement, Ravensworth has agreed to enter into the Loan Agreement at Admission and has also agreed to subscribe for 60,000,000 of the Placing Shares at the Placing Price in the Placing.

(c) The Loan Agreement

Pursuant to the terms of the Ravensworth Agreement, Ravensworth has agreed to enter into the Loan Agreement at Admission. This provides for working capital of up to £250,000 to be available to the Company for a period of two years from Admission by way of a term loan. Interest is payable under the Loan Agreement at the rate of 7.5% per annum and is payable in arrears at three monthly intervals.

The Loan Agreement is a term loan which will become repayable early in the event that any of its terms are breached including, without limitation, non-payment of interest and/or capital when due or breach of any other provisions of the Loan Agreement. The Loan Agreement also includes an arrangement fee of £5,000 payable on signing. In addition, the Company is to give certain representations, warranties and covenants to Ravensworth in respect of its entry into the Loan Agreement.

The Loan Agreement includes a provision that in the event that the Convertible Loan Notes are redeemed in full, prior to the Loan Agreement itself being repaid in full, the Company has an obligation to secure such outstanding amount under the Loan Agreement to Ravensworth by way of a debenture.

(d) The Loan Note Instrument

Pursuant to the terms of the Loan Note Instrument, whose adoption by the Company will be sought at the EGM, the Company is proposing to issue up to £1,000,000 of the Convertible Loan Notes. Under the terms of the Ravensworth Agreement (as detailed above), Ravensworth has agreed, conditional on Admission, to subscribe £1,000,000 of the Convertible Loan Notes (being all of the Convertible Loan Notes) which, if converted in full, would result in the issue of 200,000,000 Ordinary Shares.

The Loan Note Instrument is for up to £1,000,000 redeemable on 13 March 2009 if not previously converted or redeemed. The Convertible Loan Notes carry interest and are payable quarterly in arrears, at 7.5% per annum. The Convertible Loan Notes are redeemable at any time by the Company.

The holders of Convertible Loan Notes (“Noteholders”) may convert the whole or part of their holding of Convertible Loan Notes into Ordinary Shares at any time at the conversion price of 0.5p per new Ordinary Share.

The Noteholders holding more than 50% of the Convertible Loan Notes will have the right to appoint one director to the Board of the Company and remove from office such person and appoint another in their place.

Under the terms of the Loan Note Instrument the Company has agreed to pay the legal fees incurred by the Noteholders (up to £10,000) in preparation and negotiation of such document.

The new Ordinary Shares to be issued following conversion of any of the Convertible Loan Notes will rank *pari passu* in all respects with the Ordinary Shares then in issue. The Company shall give notice to the holders of the Convertible Loan Notes if a general offer is made to all holders of Ordinary Shares. Following such notice, the holders of the Convertible Loan Notes shall be entitled to serve a notice of conversion on the Company or elect that the Company redeem its Convertible Loan Notes. If a Noteholder chooses not to serve a notice of conversion or redemption during that period, then that Noteholder’s conversion right shall cease to apply.

The Directors have not applied, and do not intend to apply, to the London Stock Exchange or any other recognised investment exchange for the Convertible Loan Notes to be admitted to trading. The Convertible Loan Notes are transferable in amounts or integral multiples of £1. The Company will use its best endeavours to seek admission to trading of any new Ordinary Shares issued on conversion of the Convertible Loan Notes on any recognised investment exchange on which the Ordinary Shares are then traded.

In addition the repayment obligations under the Convertible Loan Notes will be secured by a debenture issued by the Company over the assets of the Company in favour of Ravensworth.

Ravensworth

The conversion in full of the Convertible Loan Notes would result in the issue and allotment of 200,000,000 new Ordinary Shares at the Placing Price per share. In the event of the conversion in full of the Convertible Loan Notes, together with the 60,000,000 Placing Shares which are to be subscribed by Ravensworth pursuant to the Placing and the 5,076,000 Existing Ordinary Shares which it currently holds, and in the absence of further share issues by the Company or purchases by Ravensworth, the issue of new Ordinary Shares to Ravensworth upon the conversion in full of the Convertible Loan Notes would result in Ravensworth holding 29.9 percent of the then issued share capital of the Company. Ravensworth is a private equity fund specialising in the acquisition of stakes in small to medium sized European publicly traded and private companies.

The proposed issue of the Convertible Loan Notes to Ravensworth is a related party transaction as defined in Rule 13 of the AIM Rules. Accordingly, and as set out in the "Recommendation" below, the Directors have consulted with Charles Stanley as regards the fairness and reasonableness of the transaction insofar as Shareholders as a whole are concerned.

Serious Loss of Capital

The Company's unaudited balance sheet as at 30 September 2005, as set out in Part II of this document, shows the Company's net liabilities as at 30 September 2005 are £1,593,077 whereas the amount of its paid up share capital is £221,481. Pursuant to section 142 of the Act, when the net assets of a public company are half or less than half of its called-up share capital, the directors of such company are under a duty to convene an extraordinary general meeting to consider whether any, and if so what, steps should be taken to deal with the situation. In accordance with section 142 of the Act, the EGM has also been convened to consider, in the context of the Placing and the Restructuring, what steps should be taken to deal with the situation.

Working Capital

The Company's financial position has been uncertain. However, with the benefit of the proceeds from the Placing, the Loan Agreement, the allotment of the Portimao Shares and the issue of the Convertible Loan Notes, and as a result of completing the Loan Repayment Agreement and the benefit of the Ravensworth Agreement, the Company's financial position will be considerably improved and its prospects are, in the Board's opinion, extremely positive. In the Directors' opinion, having made due and careful enquiry and taking into account the net proceeds of the Placing, the Loan Agreement, the allotment of the Portimao Shares, the benefit of the Ravensworth Agreement and the issue of the Convertible Loan Notes together with completion of the Loan Repayment Agreement, the Company will have sufficient working capital for at least the next 12 months.

Details of the Placing

The Company is proposing to raise £2.50 million (net of expenses), by way of a placing of 510,000,000 new Ordinary Shares at 0.5 pence per share. Charles Stanley, as agent for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares. The Placing Shares represent 95.4 per cent. of the issued ordinary share capital of the Company as enlarged by the Placing. The Placing has not been underwritten.

Under the terms of the Placing certain of the Directors and senior management have agreed to subscribe for an aggregate of 5.0 million shares at the Placing Price.

The net proceeds of the Placing will be used by the Company, together with the subscription monies to be received pursuant to the issue of the Convertible Loan Notes and upon the allotment of the Portimao Shares, to complete the Loan Repayment Agreement, to undertake the Restructuring and to provide further working capital for the Company.

The Board, having been advised by Charles Stanley, consider that it is in the best interests of the Company and Shareholders as a whole for the funds to be raised by the Placing. If the Company does not raise these funds the Board could not be certain that Portimao would continue to support the Company and the Board believes that the Company would have been left with very limited alternative options, none of which it believes would have represented any value for shareholders. If the Company had made an offer, by way of a rights issue or open offer, to allow existing shareholders to subscribe for any of the Placing Shares, this would have necessitated the publication of a prospectus. Given the precarious financial position of the Company, the costs and extended timescale which would have been necessary in preparing a prospectus were, in the opinion of the Directors, beyond the resources of Centurion.

The obligations of Charles Stanley under the Placing Agreement are conditional, *inter alia*, upon the passing of the Resolutions and Admission occurring on or before 14 March 2006 or such later date as may be agreed between the Company and Charles Stanley, but in any event no later than 28 March 2006. The Placing Agreement also contains certain warranties and indemnities given by the Company and the Directors (in respect only of the warranties) in favour of Charles Stanley as to certain matters relating to the Company and its business. The obligations of Charles Stanley under the Placing Agreement may be terminated in certain circumstances if there occurs either a material breach of any of the warranties or an adverse change in the national or international, financial, economic, market or political conditions and/or in the financial position or prospects of the Company. Such rights exist in the event that such circumstances arise prior to Admission.

The Company has agreed to pay all costs charges and expenses connected with the Placing and Admission, including all fees and expenses payable in connection with admission of the Placing Shares to trading on AIM, expenses of the registrars, printing and advertising expenses, postage and all legal, accounting and other professional fees and expenses and all related VAT. The Placing Agreement provides for the Company to pay Charles Stanley a fee of £42,000 plus VAT where applicable together with a commission equal to 6.0 per cent. of the aggregate of the Placing Price of such number of the Placing Shares as are procured by Charles Stanley and 2.0 per cent. on the balance of Placing Shares subscribed for pursuant to the Placing. Charles Stanley has agreed to receive its fee and commission by way of the issue of the Charles Stanley Shares, credited as fully paid, such shares to be admitted to trading on AIM on 14 March 2006.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Placing Shares will commence on AIM on 14 March 2006.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive any dividend or other distribution declared, made or paid after the date of their unconditional allotment.

It is expected that the Placing Shares will be delivered in CREST on 14 March 2006 and that (where appropriate) share certificates for the Placing Shares to be held in certificated form will be despatched by 7 April 2006. The Placing Shares will be in registered form and no temporary documents of title will be issued.

Application will also be made to the London Stock Exchange for the Charles Stanley Shares and the Portimao Shares to be admitted to trading on AIM. It is expected that admission to trading on AIM will become effective and that trading in the Charles Stanley Shares and the Portimao Shares will commence on AIM on 14 March 2006 and 15 March 2006 respectively.

Current trading and future prospects

With the Company's exit from high street retail now complete, and the associated stock dispersal activity concluded, it is anticipated that the Company is well positioned to return to profitability, although the Directors anticipate that the Company is not likely to report a profit for the first half of the current financial year to 31 March 2006. Significant progress in expanding the automotive business beyond the current contracts with Toyota and Renault has been made and the Board anticipates that details of a further contract will be announced shortly. The recent appointment of Iwan Rees as Sales & Marketing Director, further emphasises Centurion's focus on its core automotive business. Mr Rees is not currently a Board Director of Centurion but it is expected that he will be appointed to the Board within the next three months.

At 30 September 2005 the Group had net current liabilities of £2,345,000 and net liabilities of £1,593,000. The Directors have produced forecast cash flows to 30 September 2007 which indicate

that the Group can continue as a going concern and meet its liabilities as they fall due. In preparing these cash flows the Directors have, firstly, assumed that the proposed Restructuring, which is described in greater detail above, is successful.

Secondly, the forecast assumes no revenue from the specialist market in the second half of the current year and that the sales pattern of the OEM market follows that demonstrated in the year-ended 30 September 2005. In particular, the sales revenue is dependent upon the OEM customers drawing down product in line with their existing forecasts for the period. Further, the cashflows assume that that the business continues to receive the support of unsecured creditors in not requiring payment in line with due dates.

The Directors believe that the management cash flow forecasts are achievable and therefore believe it is appropriate to prepare the accounts to 30 September 2005 on the going concern basis. The financial statements will not include any adjustment to the balance sheet tangible fixed assets or provision for future liabilities which would result should the going concern basis not be appropriate.

Board Changes

In the event that the Resolutions are passed at the EGM and the Restructuring is concluded successfully, I have advised the Board that I will be resigning from the Board. I am pleased to announce that Mr Ernst Kastner, has agreed to accept the appointment as non-Executive Chairman of Centurion with effect from completion of the Proposals.

Mr Ernst Kastner is 35 years old and has been retained by Ravensworth as a consultant solely for the purposes of this transaction. He started his career in 1993 by qualifying as a solicitor in London at Mayer, Brown, Rowe & Maw. In 1996, he moved into the private equity industry, working at Security Capital in London as a Vice President from 1996 to 2000 and then at Doughty Hanson in London as a Senior Associate from 2000 to 2002. During his time at the above private equity houses, he was responsible for analysing and underwriting numerous corporate and asset acquisitions, carrying out due diligence, leading negotiation and execution, as well as devising strategies and implementing the integration of newly acquired businesses. Most recently he has worked from March 2002 to April 2004 as a Project Leader at Excel Advisory Group LLC, providing client advice in the areas of mergers, acquisitions, dispositions, asset management and fund raising.

Increase in Authorised Share capital

It is also proposed that the authorised share capital of the Company be increased by £960,000 by the creation of 960,000,000 new Ordinary Shares. Authority for such increase will be sought by the proposal of Resolution 1 at the EGM.

Articles

Since the adoption of the Articles, there have been certain developments in legislation relating to the use of electronic communications, treasury shares and CREST. In addition, certain investor bodies require that the articles of association of listed companies are reviewed regularly to ensure that they remain in keeping with modern business practice. It is proposed that the New Articles, which reflect such legal developments, be adopted and the adoption of the New Articles is proposed at the Extraordinary General Meeting by the proposal of Resolution 5.

Your attention is drawn to the summary of the principal amendments to the Articles as incorporated in the New Articles, which appears in paragraph 5 of Part III of this document. In addition a summary of the main provisions of the New Articles is set out in Part IV of this document.

Irrevocable undertakings

All of the Directors have irrevocably undertaken to vote in favour of the Resolutions in respect of their entire holdings of Ordinary Shares, which total 98,000 Ordinary Shares representing 0.39 per cent. of the issued ordinary share capital of the Company.

Extraordinary General Meeting

Set out at the end of this document is a notice convening the Extraordinary General Meeting of the Company to be held at the offices of Finers Stephens Innocent LLP, 179 Great Portland Street, London W1W 5LS on 13 March 2006 at 10.00 a.m. At this meeting the issue of "Serious Loss of Capital" as noted above will be considered and the Resolutions will be proposed as follows:

Resolution 1

An ordinary resolution to increase the authorised share capital of the Company.

Resolution 2

An ordinary resolution, conditional on the passing of Resolution 1, to approve the entering into of the Loan Note Instrument, the issue of the Convertible Loan Notes and the grant of security thereunder.

Resolution 3

An ordinary resolution, conditional upon the passing of Resolutions 1 and 2 and in substitution for all existing authorities, to authorise the Directors to allot new Ordinary Shares in accordance with section 80 of the Act such power being limited to: (i) the allotment of the Placing Shares and the Charles Stanley Shares; (ii) the allotment of up to 200,000,000 new Ordinary Shares upon the conversion in full of the Convertible Loan Notes; (iii) the allotment of the Portimao Shares; and (iv) the allotment of relevant securities up to an aggregate nominal amount of £205,204.33.

Resolution 4

A special resolution, conditional upon the passing of Resolutions 1 to 3, and in substitution for all existing authorities, to grant the Directors authority to allot: (i) the Placing Shares and the Charles Stanley Shares; (ii) 200,000,000 new Ordinary Shares upon the conversion in full of the Convertible Loan Notes; (iii) the Portimao Shares; and (iv) to issue or allot further new Ordinary Shares pursuant to Section 95 of the Act as if Section 89(1) of the Act did not apply to such issue or allotment, such power being limited to the allotment of relevant securities in connection with rights issues and other similar issues and otherwise up to an aggregate nominal amount of £88,401.44.

Resolution 5

A special resolution, conditional upon the passing of Resolutions 1 to 4, to adopt the New Articles.

Action to be taken

Shareholders will find a Form of Proxy enclosed with this document for use at the EGM. Whether or not you intend to be present at the EGM, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 10.00 a.m. on 11 March 2006, being 48 hours before the time appointed for holding the EGM. Completion of the Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

Recommendation

Your Board, who have been so advised by Charles Stanley, consider that the Placing and the approval of the Resolutions set out in the notice of EGM to be in the best interests of the Company and Shareholders as a whole. In providing advice to the Board, Charles Stanley has taken into account the Board's commercial assessment of the Proposals. Accordingly, your Directors unanimously recommend that you vote in favour of the Resolutions as they have irrevocably undertaken to do in respect of their beneficial holdings of 98,000 Ordinary Shares, representing approximately 0.39 per cent. of the existing ordinary share capital of the Company.

Yours faithfully

Brian Hendon

Non-executive Chairman

PART II

PRELIMINARY ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE YEAR TO 30 SEPTEMBER 2005

Profit and loss account for the year ended 30 September 2005

	<i>Note</i>	<i>2005</i> £	<i>2004</i> £
Turnover		14,006,539	15,744,431
Cost of sales		10,334,080	10,727,377
Exceptional cost of sales		5,919,966	0
		<hr/>	<hr/>
Gross profit/(loss)		(2,247,507)	5,017,054
Administrative expenses		(5,359,385)	(3,351,423)
Exceptional Administrative expenses		(783,957)	470,000
		<hr/>	<hr/>
Operating Profit/(loss)		(8,390,849)	2,135,631
Interest payable and similar charges		(659,767)	(174,946)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		(9,050,616)	1,960,685
Taxation on profit on ordinary activities		619,096	(558,758)
		<hr/>	<hr/>
Profit on ordinary activities after taxation for the year		(8,431,520)	1,401,927
Dividends (including non-equity)		0	266,359
		<hr/>	<hr/>
Retained profit/(loss) for the financial year		<u>(8,431,520)</u>	<u>1,135,568</u>
Earnings/(loss) per share	2		
Basic		(34.20)p	5.91p
Diluted		(34.20)p	5.75p
Earnings/(loss) per share excluding exceptional income			
Basic		(9.03)p	4.52p
Diluted		(9.03)p	4.40p

All amounts relate to continuing activities.

Statement of total recognised gains and losses for the year ending 30th September 2005

	<i>Restated</i>	
	2005	2004
	£	£
(Loss)/profit for the financial year	(8,431,520)	<u>1,401,927</u>
Total recognised gains and losses relating to the year	(8,431,520)	<u>1,401,927</u>
Prior year adjustment	(256,681)	
Total gains and losses recognised since last annual report	<u>(8,688,201)</u>	

Balance sheet at 30 September 2005

	2005	2005	2004	2004
	£	£	£	£
Fixed assets		853,264		833,369
Current assets	4,971,466		15,867,241	
Creditors: amounts falling due within one year	<u>(7,317,273)</u>		<u>(9,796,168)</u>	
Net current assets/(liabilities)		<u>(2,345,807)</u>		<u>6,071,073</u>
Total assets less current liabilities		(1,492,543)		6,904,442
Non-current liabilities		<u>(100,534)</u>		<u>(245,999)</u>
		<u>(1,593,077)</u>		<u>6,658,443</u>
Capital and reserves				
Called up share capital		221,481		220,881
Share premium account		4,731,879		4,552,479
Capital redemption reserve		130,000		130,000
Profit and loss account		<u>(6,676,437)</u>		<u>1,755,083</u>
Shareholders' funds		<u>(1,593,077)</u>		<u>6,658,443</u>

Cash flow statement for the year ended 30 September 2005

	<i>Note</i>	2005 £	2005 £	2004 £	2004 £
Net cash outflow from operating activities	3		(2,766,048)		(1,202,590)
Returns on investments and servicing of finance					
Interest paid		(659,767)		(174,946)	
Net cash outflow from returns on investments and servicing of finance			(659,767)		(174,946)
Taxation					
UK corporation tax paid			(170)		(261,208)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(297,883)		(271,046)	
Sale of tangible fixed assets		53,141		—	
			(244,742)		(271,046)
Equity dividends paid			(272,959)		(184,078)
Cash outflow before financing			(3,943,686)		(2,093,868)
Financing					
Short term import loans (paid)/ advanced		(740,418)		2,076,060	
Bank loans paid		(45,333)		(25,000)	
Bank loans received		—		50,833	
Capital element of finance lease rental payments		(76,105)		(62,114)	
Share issues (net of expenses)		—		1,173,701	
Share options exercised		180,000		31,500	
			(681,856)		3,244,980
(Decrease)/Increase in cash	4		(4,625,542)		1,151,112

1 Basis of preparation and financial information

The financial information set out in this preliminary announcement has been prepared on the same basis as the accounting policies used in the Company's 2004 statutory accounts.

The information shown for the years ended 30 September 2005 and 30 September 2004 does not constitute statutory accounts within the meaning of S240 of the Companies Act 1985 and has been extracted from the unaudited preliminary accounts for the year ended September 2005 and the full accounts for the year ended 30 September 2004 respectively.

The reports of the auditors on those accounts were unqualified and did not contain a statement under either S237(2) or S237(3) of the Companies Act 1985. The accounts for the year ended 30 September 2004 have been filed with the Registrar of Companies. The accounts for the year ended 30 September 2005 will be delivered to the Registrar of Companies in due course.

Our auditors have indicated that the report of the auditors will, subject to the successful completion of the proposed refinancing, incorporate a fundamental uncertainty paragraph around the future trading of the company, covering the factors detailed in the second and third paragraphs of the following "Directors' Summary of Financial Position and Forecasts".

Directors' Summary of Financial Position and Forecasts

At 30 September 2005 the group had unaudited net current liabilities of £2,345,000 and net liabilities of £1,593,000. The directors have produced forecast cash flows to 30 September 2007 which indicate that the group can continue as a going concern and meet its liabilities as they fall due. In preparing these cash flows the directors have, firstly, assumed that the proposed restructuring is successful. The restructuring will result in the issue of new share capital of £2.5 million, the payment of £2.0 million to Portimao, the cancellation of existing debt due to Portimao of £1.0 million and the subsequent issue of £1.0 million of convertible loan notes to Ravensworth. The issue of new share capital is subject to shareholder approval.

Secondly, the forecast assumes no revenue from the specialist market in the second half of the current year and that the sales pattern of the OEM market follows that demonstrated in the year-ended 30 September 2005. In particular, the sales revenue is dependent upon the OEM customers drawing down product in line with their existing forecasts for the period. Further, that the business continues to receive the support of unsecured creditors in not requiring payment in line with due date.

The directors believe that the forecast cash flows are achievable and therefore believe it is appropriate to prepare the accounts on the going concern basis. The financial statements do not include any adjustment to the balance sheet tangible fixed assets or provision for future liabilities which would result should the going concern not be appropriate.

2 Earnings per share

Earnings per ordinary share have been calculated using the weighted average number of shares in issue during the relevant financial years. These take into account the issue of 350,000 ordinary shares on 21 December 2004 and the issue of 250,000 shares on 2 February 2005.

The weighted average number of equity shares in issue for the basic earnings per share calculation is 24,651,824 (2004: 23,726,817) and the earnings, being profit after tax are £(8,341,520) (2004: £1,401,927).

The numerator for the diluted earnings per share disclosure is the same as the basic earnings per share numerator.

The denominator for the diluted earnings per share disclosure is as follows:

	<i>2005</i>	<i>2004</i>
Basic earnings per share denominator ordinary shares of 0.1 pence	24,651,824	23,726,817
Dilutive effect of company share option schemes	—	665,565
	<u>24,651,824</u>	<u>24,392,382</u>

3 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2005 £	2004 £
Operating profit	(8,343,206)	2,135,631
Depreciation	246,006	179,914
Profit on sale of fixed assets	—	—
Increase in stocks	2,570,623	(2,443,939)
Increase in debtors	6,151,798	(6,541,435)
Increase in creditors	(3,391,269)	5,467,239
Net cash outflow from operating activities	<u>(2,766,048)</u>	<u>(1,202,590)</u>

4 Reconciliation of net cash (outflow)/inflow to movement in net funds/(debt)

	2005 £	2005 £	2004 £	2004 £
(Decrease)/Increase in cash in the year	(4,625,542)		1,151,112	
Cash inflow/(outflow) from changes in debt and lease financing	<u>861,856</u>		<u>(2,039,779)</u>	
Change in net debt resulting from cash flows		(3,763,686)		(888,667)
New finance leases		<u>(68,802)</u>		<u>(146,890)</u>
Movement in net debt in the year		(3,832,488)		(1,035,557)
Net (debt)/funds at start of year		<u>(267,606)</u>		<u>767,951</u>
Net funds/(debt) at end of year		<u><u>(4,100,094)</u></u>		<u><u>(267,606)</u></u>

5 Analysis of net debt

	<i>At</i> <i>1 October</i> 2004 £	<i>Cash flow</i> £	<i>Other non-</i> <i>cash changes</i> £	<i>At</i> <i>30 September</i> 2005 £
Cash in hand and at bank	2,863,896	(2,180,961)	—	682,936
Bank Overdrafts		<u>(2,444,581)</u>	—	<u>(2,444,581)</u>
		(4,625,542)		(1,761,645)
Debt due after 1 year	(86,750)	45,333	—	(41,417)
Debt due within 1 year	(2,869,154)	740,418	—	(2,128,736)
Obligations under finance leases	<u>(175,598)</u>	76,105	(68,802)	<u>(168,295)</u>
Total	<u><u>(267,606)</u></u>	<u><u>(3,763,686)</u></u>	<u><u>(68,802)</u></u>	<u><u>(4,100,094)</u></u>

6 Copies of this announcement are available from the Company's offices at Satellite House, City Park, Welwyn Garden City, Herts. AL7 1LY.

PART III

ADDITIONAL INFORMATION

1. Litigation

- 1.1 The Company has issued but not yet served High Court proceedings in the United Kingdom against American Manufacturers' Representatives S.A, a Luxembourg company ("AMR"), for €216,996 for failing to account to the Company for the payment of customer invoices. AMR has commenced proceedings in Luxembourg against the Company for €258,379 relating to alleged unpaid fees for its agency services which the Directors believe to be without foundation and which they intend to defend vigorously.
- 1.2 Save as set out in paragraph 1.1 above, there are no legal or arbitration proceedings (nor are there any such proceedings which are pending or threatened of which Centurion is aware) involving any member of the Group which may have, or have had during the last 12 months, a significant effect on the financial position of the Group

2. Significant change

Save for the details set out in Part I of this document, there has been no significant change in the financial or trading position of the Group since 30 September 2005, the date to which the latest unaudited financial statements, as set out in Part II of this document, have been prepared.

3. Share capital

- 3.1 The authorised and issued and fully paid share capital of the Company as the date of this document is as follows:

	<i>Authorised</i>		<i>Issued</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Ordinary Shares of 0.1p each	243,333,000	243,333	24,814,427	24,814.42
Deferred shares of £1 each	196,667	196,667	196,667	196,667

- 3.2 The authorised and issued and fully paid share capital of the Company on Admission will be as follows:

	<i>Authorised</i>		<i>Issued</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Ordinary Shares of 0.1p each	1,203,333,000	1,203,333	564,014,427	564,014.43
Deferred shares of £1 each	196,667	196,667	196,667	196,667

4. Directors' and Other Interests

- 4.1 As at 15 February 2006 (being the latest practicable date prior to the publication of this document) the interests of the Directors (including their connected persons within the meaning of section 346 of the Act) in the issued share capital of the Company (both beneficial and non-beneficial) which have been notified to the Company pursuant to section 324 or 328 of the Act or are required to be entered in the register of Directors' interests maintained under the provisions of section 325 of the Act or could with reasonable diligence, be ascertained by the Directors and as they are expected to be immediately following completion of the Placing and on Admission are and will be as follows:

<i>Director</i>	<i>Number of Ordinary Shares as at 15 February 2006</i>	<i>Options as at 15 February 2006</i>	<i>Percentage of existing issued ordinary share capital as at 15 February 2006</i>	<i>Number of Ordinary Shares following completion of the Placing and on Admission</i>	<i>Percentage of enlarged issued ordinary share capital following completion of the Placing and Admission*</i>
Brian Hendon	37,000	416,667	0.15%	37,000	0.005%
Chris Rhodes	30,000	1,219,503	0.12%	1,030,000	0.15%
Mike Harrison	5,000	487,803	0.02%	5,000	0.001%
Keith Davis	5,000	487,803	0.02%	1,005,000	0.15%
Malcolm Diamond	21,000	—	0.08%	1,021,000	0.15%

* Includes 120 million shares to be admitted on the day following Admission.

- 4.2 The Directors are aware of the following interests held directly or indirectly in 3 per cent. or more of the issued ordinary share capital of the Company (as at 15 February 2006 being the latest practicable date prior to the posting of this document).

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of existing issued share capital as at 15 February 2006</i>
Ravensworth (International) Limited	5,076,000	20.5%
Fidelity International Limited	2,469,705	10.0%
Electra Quoted Management Limited	1,949,127	7.9%
Mr & Mrs R G Persey	1,777,000	7.2%
Rathbone Unit Trust Managers	998,101	4.0%
Unicorn Asset Management	846,470	3.4%

- 4.3 Save as disclosed above the Company is not aware of any interest held directly or indirectly which as at 15 February 2006 (being the latest practicable date prior to the posting of this document) represented 3 per cent. or more of the Company's issued ordinary share capital or of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control of the Company.

5. Proposed Amendments to the Articles of Association

- (a) The Companies Act 1985 (Electronic Communications) Order 2000 ("the EC Regulations") came into force in December 2000. They enable companies and members (as well as company registrars) to use electronic communications in place of the written documents required by various existing provisions of the Act. The EC Regulations have effect whether or not changes are made to the Articles. It is proposed, however, that the provisions relating to the electronic communications are set out expressly and adopted in the New Articles for the sake of clarity and reference.

The New Articles contain new definitions in article 1, changes to enable the appointment of proxies using electronic communications (as set out primarily in article 17) and new provisions for the sending of annual accounts and notices by the Company to those persons entitled to receive them using electronic communications (as set out in articles 37 and 39).

Electronic communications may only be effective, as set out in the EC Regulations, where there is an agreement between the Company and the relevant person as to the method of the electronic communications and the address where the electronic communications may be sent. Failing any prior agreement any communications by or to the Company will be by written document.

- (b) Treasury Shares

Recent legislative developments permit public listed companies, subject to certain restrictions, to hold their own shares which they repurchase as treasury shares for resale at a later date. The New Articles contain amendments to take into account the possible existence of treasury shares.

- (c) CREST

The New Articles include consequential changes arising from the amendment to the Regulations.

- (d) Borrowing Powers

The New Articles oblige the Directors to restrict the borrowings of the Company to an amount equal to the greater of either:

- four times the nominal amount of the share capital of the Company issued and paid up plus certain amounts shown as standing to the credit of capital and revenue reserves less any amounts set aside for taxation and amounts attributable to outside shareholdings in subsidiaries; or
- £20,000,000.

(e) Directors fees

The New Articles entitle the Directors to receive by way of fees for their services such fees as the board may determine not exceeding in aggregate £100,000 per annum. Any fees payable shall be distinct from any salary, remuneration, expenses or other amounts payable to a director pursuant to any other provisions under the New Articles.

(f) Other changes

Other changes include certain administrative matters and the re-wording, re-ordering and consequential renumbering of some articles. It is not believed that any of these changes are of material significance.

6. Documents available for inspection

Copies of the New Articles will be available for inspection, at the offices of the Company's solicitors, Finers Stephens Innocent LLP, 179 Great Portland Street, London W1W 5LS during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) from the date of this document until the close of the EGM. In addition copies of this document will be available for collection, free of charge, at the offices of Finers Stephens Innocent LLP, 179 Great Portland Street, London W1W 5LS during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) from the date of this document until the date falling one month after the date of Admission.

PART IV

SUMMARY OF THE MAIN PROVISIONS OF THE NEW ARTICLES

1. Dividends

Subject to special rights attaching to any shares, the holders of the Ordinary Shares are entitled, *pari passu* amongst themselves, to the profits of the Company available for distribution and resolved to be distributed in proportion to the amounts paid up on the Ordinary Shares held by them. The Company in general meeting may from time to time declare dividends but no such dividend shall be payable otherwise than out of the profits of the Company available for the purpose in accordance with the statutes provided that no dividend shall be declared in excess of the amount recommended by the Directors. The Directors may pay interim dividends and fix half yearly dividends. No dividends payable in respect of any Ordinary Share shall bear interest unless otherwise provided by the rights attached to the share. The Directors may, with the prior sanction of an ordinary resolution of the Company, give the holders of the Ordinary Shares the right to elect to receive further Ordinary Shares, credited as fully paid, instead of cash in respect of all or part of such dividends. Subject to the Act, the Directors may deduct from any dividend or other moneys payable in respect of any shares all such sums of money (if any) as may be due and payable by him either alone or jointly with any other person to the Company on account of calls made but unpaid or otherwise in respect of shares of the Company.

The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed. All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and all dividends unclaimed for a period of 12 years after having been declared shall be forfeited and shall revert to the Company. The Directors may, subject to the provisions of the New Articles relating to disclosure of interests, decline to pay a dividend in respect of shares which are the subject of a notice under section 212 of the Act and which represent 0.25 per cent. or more in nominal value of the issued shares of their class in respect of which the required information has not been received by the Company within 14 days of such the notice.

2. Return of Capital

On a winding-up of the Company the liquidator may, with the authority of an extraordinary resolution of the Company, divide among the members in specie the whole or any part of the assets of the Company.

3. Voting

Subject to the restrictions referred to in paragraph 4 below and subject to any special rights or restrictions as to voting attached to any class of shares, on a show of hands every holder of Ordinary Shares who is present in person or (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every such holder who is present in person or by proxy shall have one vote for each Ordinary Share held by him.

4. Restrictions on Voting

A member of the Company shall not be entitled, in respect of any Ordinary Share held by him, to vote (either personally or by proxy) at any general meeting of the Company unless all amounts payable by him in respect of that Ordinary Share in the Company have been paid.

A member of the Company shall not, if the Directors so determine, be entitled to attend or vote, or to exercise his rights as a member at any general meeting, if he or any other person appearing to be interested in such Ordinary Shares has failed to comply with a notice given under section 212 of the Act within 14 days from the date of service of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the Ordinary Shares in question are transferred or sold in the circumstances set out in the New Articles.

5. Deferred Shares

The Deferred Shares confer the following rights and restrictions on the holders thereof:

- (a) **Income:** The Deferred Shares shall confer upon the holders thereof as a class the right to receive 1p for each £999.99 of such dividends and other distributions as shall be resolved to be distributed out of the profits of the Company available for distribution the same to be distributed amongst the holders of the Deferred Shares in proportion to the amounts paid up or credited as paid up thereon.
- (b) **Capital:** In the event of the winding up of the Company or other return of capital the Deferred Shares shall confer upon the holders thereof as a class the right to receive 1p for each £999.99 of the assets of the Company available for distribution amongst the members the same to be distributed amongst the holders of the Deferred Shares in proportion to the amounts paid up or credited as paid up thereon.
- (c) **Voting:** The Deferred Shares shall not at any time confer on the holders thereof any right to attend or vote at any general meetings of the Company or to receive notices thereof.

6. Untraced Shareholders

The Company may arrange for the sale and sell as agent for the relevant member any Ordinary Share (including any further shares issued in respect of that share) if, for a period of 12 years no cheque or warrant payable in respect of the share has been cashed and no communication in respect of the Ordinary Share has been received by the Company from the relevant member (or other person entitled to the Ordinary Share). The Company must advertise its intention to sell such Ordinary Share in both a national daily newspaper published in the United Kingdom and in a newspaper circulating in the area of the last known address to which cheques or warrants were sent.

Notices of the intention to sell must also be given to the London Stock Exchange if shares of the class concerned are listed on that exchange or any secondary market of the exchange. If no communication in respect of the Ordinary Share is received within a further three months the Company may sell the Ordinary Share by instructing a member of the London Stock Exchange to sell it. The Company shall be indebted to the former member or other person previously entitled to the relevant Ordinary Share for an amount equal to the net proceeds of sale, but no trust shall be created in respect thereof and no interest shall be payable in respect of such sum.

7. Variation of rights

Subject to the Act and every statute affecting the Company, any rights attaching to any class of share in the Company may be varied with the written consent of the holders of not less than three-quarters in nominal value of the issued share of the class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the relevant class. The creation or issue of shares of a particular class ranking *pari passu* with the existing shares shall not, unless otherwise provided be deemed to be a variation of the rights attaching to the existing class of share. The quorum for any such separate general meeting shall be two persons at least holding, or represented by proxy, not less than one-third in nominal value of the issued shares of the relevant class.

8. Transfer of shares

All transfers of shares must be effected by written instrument in any usual form or in any other form acceptable to the Directors and must be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee. The Directors may decline to recognise any instrument of transfer unless:

- (a) the instrument of transfer is duly stamped and deposited at the offices of the registrars of the Company accompanied by the certificate for the shares to be transferred and such other evidence as the Directors may reasonably require to prove the title of the intended transferor;
- (b) the instrument of transfer is in respect of only one class of share;
- (c) the instrument of transfer is in favour of not more than four transferees;
- (d) the instrument of transfer is in respect of a share in respect of which all sums presently payable to the Company have been paid.

If the Directors refuse to register a transfer of any shares they must provide the transferor and transferee with a notice of the refusal within two months after the date on which the transfer was lodged with the Company. The Directors may, subject to the provisions of the New Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are the subject of a notice under section 212 of the Act and which represents 0.25 per cent. or more in nominal value of

the issued shares of their class and in respect of which the required information has not been received by the Company within 14 days of such notice. There are no pre-emption rights on transfer attaching to the Ordinary Shares.

9. Alteration of capital and purchase of own shares

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its shares into shares of larger amount, sub-divide all or any of its shares into shares of smaller amount and cancel any shares not taken or agreed to be taken by any person. The Company may by special resolution, subject to the provisions of the Act, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner. The Company may by special resolution create and sanction the issue of share capital which is, or at the option of the Company or the holder is to be liable, to be redeemed, subject to and in accordance with the provisions of the Act.

10. Directors

Unless altered by ordinary resolution of the Company, the number of Directors shall not be less than two nor more than eight.

11. Fees to Directors

The fees paid to the Directors for their services in the office of Director shall not exceed in aggregate £100,000 per annum or such higher amount as may be determined by ordinary resolution of the Company. Subject to this limit, each Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Directors. Any such fee shall be in addition to any remuneration payable to a Director as the Board may in its discretion determine by reason of his appointment to any executive office be for the performance of services which, in the opinion of the Directors, go beyond the ordinary duties of a Director.

12. AGM and EGM procedures

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. Subject to the provisions of the Act, the annual general meeting shall be held at such time and place as the Directors may determine.

The Board may convene an extraordinary general meeting whenever it thinks fit. An extraordinary general meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by section 368 of the Act. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except as stated by the requisition or proposed by the Board.

Subject to the provisions of the Act, an annual general meeting and a general meeting for the passing of a special resolution shall be called by at least twenty one clear days notice, and all other general meetings shall be called by at least fourteen clear days notice.

Shorter notice than that specified above may be deemed to have been given in the case of an annual general meeting by all the members entitled to attend and vote at the meeting; and in the case of any other meeting, by a majority number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

13. Director's appointments, retirement and shareholding qualifications

At each annual general meeting of the Company, one-third of the Directors (or, if their number is not three or a multiple of three, the number nearest to but not more than one-third) shall retire from office by rotation. A person shall be capable of being appointed a Director after he has attained the age of 70 provided that he shall retire at the first annual general meeting after the date of his seventieth birthday where he shall then be eligible for re-election for the period from that annual general meeting until the end of the next following annual general meeting when again he shall retire. A Director shall not be required to hold any shares in the Company.

14. Directors' interest

Save as provided in the New Articles, a Director shall not vote or be counted in a quorum at a meeting in relation to any resolution concerning any contract, arrangement, transaction or proposal in which he is to his knowledge directly or indirectly materially interested (including by virtue of the persons connected with him within the meaning of section 346 of the Act). The prohibition will not apply to any of the following:

- (a) any arrangement for giving him any guarantee, security or indemnity in respect of money lent or obligations undertaken by him for the benefit of the Company (or any of its subsidiaries or subsidiary undertakings); or
- (b) any arrangement for giving any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company (or any of its subsidiaries or subsidiary undertakings) for which he has assumed responsibility, in whole or in part, under a guarantee or an indemnity or by the giving of security; or
- (c) any proposal concerning an offer for subscription or purchase of shares or debentures or other securities of or by the Company (or any of its subsidiaries or subsidiary undertakings) or of any other company which the Company may promote or in which it may be interested in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof or as a placee or subscriber thereof; or
- (d) any proposal concerning any other body corporate in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him within the meaning of section 346 of the Act) does not have an interest (as that term is used in Part VI of the Act) in one per cent. or more of the issued equity share capital or any class of such body corporate (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for this purpose to be a material interest in all circumstances); or
- (e) any proposal concerning the adoption, modification or operation of a superannuation fund, retirement benefits, share option scheme or share incentive scheme under which he may benefit; or
- (f) any proposal concerning any insurance which the Company proposes to maintain or purchase under which he may benefit.

15. Borrowing powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowing of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to any subsidiary undertakings so as to secure (so far, as regards subsidiaries and subsidiary undertakings, as by such exercise they can secure) that the aggregate amount at any one time outstanding in respect of all money borrowed by the Company and/or any of its subsidiaries or subsidiary undertakings (other than intra-Group borrowing) shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to the greater of: (i) four times the aggregate of the nominal amount of the share capital issued and paid up, as shown in the audited balance sheet of the Company last laid before the Company in general meeting, and the amounts shown as standing to the credit of capital and revenue reserves in either a consolidation of the audited balance sheets of all the companies in the Group last laid before the members thereof in general meeting or in the audited consolidated balance sheet of the Group last laid before the Company in general meeting; or (ii) the sum of £20,000,000.

16. CREST

The Directors may implement such arrangements as they think fit in order for any class of shares held in uncertificated form and for the title to those shares to be transferred by means of a system such as CREST in accordance with the Regulations (as amended from time to time). The Company will not be required to issue a certificate to any person holding such shares in uncertificated form.

CENTURION ELECTRONICS PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with No: 2826917)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HERBY GIVEN that an Extraordinary General Meeting of Centurion Electronics PLC (“Company”) will be held at the offices of Finers Stephens Innocent LLP, 179 Great Portland Street, London W1W 5LS on 13 March 2006 at 10.00 a.m. for the purposes of: (i) considering whether any and if so what steps should be taken to deal with the financial position of the Company in accordance with section 142 of the Companies Act 1985; and; (ii) considering and, if thought fit, passing the following resolutions of which Resolutions 1 to 3 will be proposed as an Ordinary Resolutions and Resolutions 4 and 5 will be proposed as Special Resolutions:

ORDINARY RESOLUTIONS

1. That the authorised share capital of the Company be and is hereby increased from £440,000 to £1,400,000 by the creation of 960,000,000 new ordinary shares of 0.1p each in the capital of the Company having attached to them the rights, privileges and restrictions and restrictions set out in the Company’s articles of association.
2. That, conditional upon the passing of Resolution 1 above, the constitution by the Company of the Loan Note Instrument (as defined in the document to shareholders dated 17 February 2006 of which this notice forms part (“the Circular”)), the issue of the Convertible Loan Notes (as defined in the Circular) and the grant of any security thereunder, the principal terms of which are set out in Part I of the Circular, be and are hereby approved.
3. That, conditional upon the passing of Resolutions 1 and 2 above and in substitution for all existing authorities, the Directors be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (“the Act”) to exercise all powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) of the Company provided that such power shall be limited to:
 - 3.1 the allotment of the Placing Shares (as defined in the Circular) and the Charles Stanley Shares (as defined in the Circular);
 - 3.2 the allotment of up to 200,000,000 Ordinary Shares on the conversion of the Convertible Loan Notes into Ordinary Shares in the capital of the Company, credited as fully paid;
 - 3.3 the allotment of 120,000,000 Ordinary Shares to Portimao (as defined in the Circular) for cash in accordance with the terms of the Loan Repayment Agreement (as defined in the Circular);
 - 3.4 the allotment of relevant securities (other than pursuant to paragraphs 3.1 to 3.3 above) up to an aggregate nominal amount of £205,204.33;

such authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company, or fifteen months from the date hereof if earlier, save that the Company may before such expiry make offers or agreements which would or might require relevant securities of the Company to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

4. That, conditional upon the passing of Resolutions 1 to 3 above and in substitution for all existing authorities, the Directors be and are empowered in accordance with Section 95 of the Act to allot equity securities (as defined in section 94 of the Act) for cash pursuant to the authority conferred on them to allot relevant securities (as defined in section 80 of the Act) by Resolution 3 above as if section 89 (1) of the Act did not apply to such allotment provided that the power conferred by this Resolution shall be limited to:

- 4.1 the allotment of the Placing Shares (as defined in the Circular) and the Charles Stanley Shares (as defined in the Circular);
- 4.2 the allotment of up to 200,000,000 Ordinary Shares on the conversion of the Convertible Loan Notes into Ordinary Shares in the capital of the Company, credited as fully paid;
- 4.3 the allotment of 120,000,000 Ordinary Shares to Portimao for cash in accordance with the terms of the Loan Repayment Agreement;
- 4.4 the allotment of relevant securities in connection with a rights issue, open offer or equivalent offer in favour of the holders of Ordinary Shares and such other equity securities of the Company as the Directors may determine in which such holders are offered the right to participate in proportion (as nearly as may be) to their respective holdings or in accordance with the rights attached thereto but subject to such exclusions or other arrangements as the Directors may consider necessary or expedient in connection with shares representing fractional entitlements or on account of either legal or practical problems arising in connection with the laws of any territory, or of the requirements of any generally recognised regulatory body or stock exchange in any territory;
- 4.5 (other than pursuant to paragraphs 4.1 to 4.4 above) the allotment of relevant securities up to an aggregate nominal amount of £88,401.44;

and shall expire at the conclusion of the next Annual General Meeting of the Company or fifteen months after the date of the passing of this Resolution if earlier save that the Company may at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted for cash after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

5. That, conditional upon the passing of Resolutions 1 to 4 above, the document produced to the Meeting and initialed for the purposes of identification by the Chairman be and is hereby adopted as the Articles of Association of the Company in substitution for the existing articles of association of the Company.

Dated: 17 February 2006

By order of the Board
Michael Harrison
Company Secretary

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and on a poll, vote instead of him. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.
2. To be effective, the relevant Form of Proxy must be completed and lodged with the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 48 hours before the meeting.
3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, Shareholders who hold shares in uncertificated form must be entered on the Company's register of members at 6.00 p.m. on 11 March 2006 in order to be entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at such time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting.

FORM OF PROXY

CENTURION ELECTRONICS PLC

For use at the Extraordinary General Meeting to be held at the offices of Finers Stephens Innocent LLP, 179 Great Portland Street, London W1W 5LS at 10.00 a.m. on 13 March 2006.

I/We.....
(name in full in block capitals)

of.....
(full postal address in block capitals)

.....
 being (a) member(s) of Centurion Electronics PLC (the "Company") hereby appoint the Chairman of the meeting (See note 3 below)

.....
 as my/our proxy to vote for me/us on my/our behalf at the extraordinary general meeting of the Company at 10.00 a.m. on 13 March 2006 and at any adjournment of the meeting. This form of proxy relates to the resolution referred to below and to any other business transacted at the meeting.

I/We instruct my/our proxy to vote as follows:			
Ordinary Resolutions	For	Against	Abstain
1. To increase the authorised share capital of the Company.			
2. Conditional upon the passing of Resolution 1, to authorise the Company to enter into the Loan Note Instrument, to issue the Convertible Loan Notes and to grant security thereunder.			
3. Subject to the passing of Resolutions 1 and 2, to authorise the Directors generally and unconditionally to allot relevant securities in accordance with Section 80 of the Companies Act 1985 (the "Act") (subject to certain limitations).			
Special Resolutions			
4. Subject to the passing of Resolutions 1 to 3 above, to authorise the Directors to be empowered pursuant to Section 95 of the Act to allot equity securities for cash as if Section 89(1) of the Act did not apply to any such allotment (subject to certain restrictions).			
5. Subject to the passing of Resolutions 1 to 4, to adopt the new articles of association of the Company.			

Please indicate how you wish your proxy to vote by inserting "X" in the appropriate box. If no indication is given, your proxy will be deemed to have the authority to vote or abstain at his/her discretion on the resolutions above and on any other business transacted at the meeting.

Dated..... Signature.....

NOTES

1. To be valid this form, together with any power of attorney or other written authority under which it is signed, or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or written authority must be completed, signed and deposited with Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 10.00 a.m. on 11 March 2006.
2. A corporation must execute this form either under its common seal or under the hand of two directors or one director and the secretary or under the hand of an officer or attorney duly authorised in writing.
3. The appointment of the Chairman as proxy has been included for convenience. If you wish to appoint any other person as proxy delete the words "the Chairman of the meeting" and add the name and address of the proxy appointed. A proxy need not be a member of the Company. If you complete the proxy form but do not delete the words "the chairman of the meeting" and you do not appoint a proxy, the chairman shall be entitled to vote as proxy.
4. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated and the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the shares.
5. Any alteration to this form must be initialled.
6. Returning the form of proxy will not prevent you from attending the meeting and voting in person.

