

8 March 2007

Centurion Electronics plc Trading Update

The Board of Centurion wish to update shareholders on the developments within its business.

Revenue Stream

Whilst we expect to see a significant improvement in Centurion's performance during the year ending 30 September 2008, the Company's financial performance for the year 30 September 2007 will be affected by a number of external factors.

Within our largest OEM customer, we are witnessing sales of our existing systems being significantly below our original internal forecasts due to the phased roll-out of current products and the subsequent introduction of new upgraded products.

As a result in the year to 30 September 2007, it is unlikely that the Company will move into profitability.

However, as announced on 6 February 2007, Centurion remains on target with the launch of the new Premium ICE system, which has been designed and developed by Centurion, exclusively for Toyota Motor Europe, which is being phased in during the last two months of the financial year ending 30 September 2007 and is expected to contribute to the Company's performance in the year ending 30 September 2008.

Additional funding

Agreement has been reached with one of the Company's principal shareholders, Ravensworth, to advance an additional £1 million to the company to cover the expected cash shortfall resulting from the reduced level of sales and to fund some of the expected growth from the new contracts.

The advance is for a period of 5 months and will carry an interest rate of 7.5% after which, at the option of Ravensworth, it can be converted, into Centurion shares at the average mid market price over the next 5 months. In addition, a three year option will be granted to Ravensworth to subscribe for 2 million new shares at a price based on the average closing mid market price over the five business days following the release of this announcement.

New Contracts

The Directors are pleased to report positive developments elsewhere in the business. Centurion is in the process of finalising two new Global OEM contracts, which they expect to be able to announce in full next month.

Strategy

The Directors believe that the level of new business leads resulting from the decision to focus on the higher value OEM contracts has vindicated the decision taken in 2006 to move away from the lower value retail business and look forward to the time when current customer business returns to more historic levels and revenue starts to flow from the expected new contract wins.

Enquiries

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