

Densitron Technologies plc

Trading update and result of AGM

Densitron Technologies plc ("Densitron" or the "Company" or the "Group") announces that, at the Company's annual general meeting held earlier today, all of the resolutions proposed to shareholders were duly passed and today provides an update on its trading activities.

In the Annual Report the board indicated that 2009 would be a challenging year for many businesses and this has proved to be the case. Densitron has not been immune to the global economic downturn, however the directors remain confident that the Company is well positioned to come through the present challenges and capitalize on opportunities as the economies around the world recover.

A summary of the performance of Densitron's trading division and an update on the two investments owned by the Group is as follows:

Operations

In the first five months of the year sales have been helped by the strong orderbook brought into 2009 and are only marginally behind the first five months of 2008 while gross profit is marginally ahead of the same period in 2008.

Orders booked have been affected by the current recession and during the first five months are down on the same period in 2008. The main reason for the reduction in the orderbook is the lack of orders received from the existing Customer base and is primarily due to higher levels of inventory resulting in a reduction in required orders. The board expects that there will be further orders placed by these Customers in the second half of the year and emphasises that no customers have been lost and that the current reduced order level is a result of the slowdown in their businesses and not a reflection on the Company's performance.

Expenses are higher than in the first five months of 2008, although in line with budget, reflecting the investments made during the second half of 2008 to develop future business. While the Company budgeted to make a loss in the first half of 2009 it is anticipated that this loss will be greater than budgeted for but the directors remain confident that the Company will be profitable in the second half of the year.

With the lead time between orders being taken and delivered the Company has been able to assess its level of overheads against the business being forecasted and thereby make the necessary cost savings. This has enabled the Company to bring overheads down without jeopardising the current opportunities pipeline and future growth prospects. The board expect to see the major impact of these cost savings in the second half of the year.

Despite the difficulties encountered over the last six months certain areas of the business have been able to outperform the market and business in France and Japan has been particularly strong. The UK and Germany have strong pipelines of new business that the directors expect to be booked over the next couple of months which will help underpin not only the recovery in the second half but also growth in 2010.

The Company continues to pursue new business opportunities particularly in the areas of advanced display products, touchscreens and customized displays. More information about these products is available on the Company's website. In addition the Company

has continued to strengthen its distribution base by signing new distribution agreements in the Netherlands and Slovenia.

Land at Blackheath

Having completed the necessary surveys and outline plans for the land at Blackheath the Company appointed a property consultant to advise on how best to proceed. Their advice is to promote the land for re-designation from Metropolitan Open Land through the newly formed Local Development Framework. It is believed that the process for consideration and re-designation will take 18 months with a decision expected in the first half of 2011.

Evervision Electronics Limited

Evervision, the Company's investment in a Taiwanese display manufacturer, rationalized its operations prior to the current economic downturn and as such has seen less impact than other Taiwanese manufacturers. It continues to be significantly cash rich and the Directors continue to work on ways to provide a return on the investment.

Outlook

The Company previously reported that following the disposals of certain loss making operations, a three year plan for growth was put in place and that 2008 was the first of the three years. Having achieved the targets of the first of the three years the business was set up to build on these achievements and grow further in 2009. The result of the economic downturn has, however, meant that the second year target will not be achievable but the long term prospects of the business remain strong. With the Team we have in place we are convinced this will give the Company the best chance of attaining sustained and long term growth.

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