

For Immediate Release

7 August 2007

ZYTRONIC PLC (“the Company”)

Trading Update

In its last interim statement released on 15 May 2007, the Company reported that one of its larger customers in the ATM sector was introducing a centralised stocking system, enabling a reduction in its inventory. Since that date, July sales to the ATM sector (predominantly from two of the Company’s largest customers in the United States) have been disappointing. The Directors have no evidence yet of any upturn in the ATM business during the Company’s peak trading months, traditionally from July to October, despite indications to the contrary from its customers. As a result, the Directors believe that, for the foreseeable future, sales to the ATM sector are unlikely to reach the levels achieved during the course of 2006.

The Directors are pleased to report, however, that sales of touch screens, outside the ATM sector, remain strong. By the end of the Company’s next financial year to September 2008, the Directors expect to see substantial growth in Zypos, with annualised sales exceeding those sales to the ATM sector as a whole, therefore reducing the Company’s dependency on the ATM marketplace. Work on the new production facility, to generate significant additional Zypos capacity, remains on track to come on stream, as planned, at the beginning of October this year.

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