

9 November 2006

**XP Power plc
("XP" or "the Group")**

Trading Update

XP, one of the world's leading providers of power supply solutions to the electronics industry, is today issuing an update on trading ahead of its year end on 31 December 2006.

Although trading in the UK business over the past few months has been weaker than expected, trading in Continental Europe and in particular North America have been robust across virtually all sectors. Accordingly the Board expects basic and diluted earnings per share will be higher in the second half of the year than the first half and earnings per share for the year to December 2006 to be in line with market expectations.

In April this year we announced that we had terminated a number of third party lines in order to focus on our own product. As a result, we stopped taking orders for these products from 1 July 2006. These third party lines represented annualised revenues of approximately £4 million in Europe and US\$10 million in North America. We will have some modest inventory provisions associated with these terminations. Despite this, we expect revenues for the year to be in line with the current market expectations for 2006.

Our Chinese manufacturing joint venture opened in May this year. This facility is performing well, in accordance with our plan, and has been profitable throughout the second half. All new XP products will be built in this facility. This venture, together with our Shanghai office which opened in October 2005 in order to support our customers manufacturing in Asia and our manufacturing operations, has given us much greater insight into cost and supply chain management within Asia. We hope to capitalise on this knowledge as we introduce new generations of products to the market. In October 2006 we also announced the completion of the buy out of the remaining 50% of our Singapore sales joint venture. This will continue to help in building a stronger presence in Asia.

Given the importance of Asia to both our target customer base and our supply chain operations we consider it important that our Company and its operations become much more Asia centric. Over the next few months we will be actively planning to relocate our head quarters and certain supply chain activities to Asia. The one off transaction costs of doing this are likely to be substantial but we would expect to get a rapid pay back from this move.

XP expects to release preliminary results for the year ending 31 December 2006 during the second week of February 2007.

- Ends -

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Notes to editors:

XP Power plc provides power supply solutions to the electronics industry.

All electronic equipment needs a power supply. Power supplies convert the incoming AC supply into various levels of DC voltages to drive electronic components and sub-assemblies within the end user's equipment. XP Power segments its business into Communications, Defence and Avionics, Industrial and Medical. By servicing these markets XP Power provides investors with access to technology and industrial sectors of the North American and European electronics market.

The market is highly fragmented and made up of a large number of small to medium sized Original Equipment Manufacturers who source standard and modified standard power supplies from several hundred power supply companies.

For further information, please visit www.xppower.com