

NEWS RELEASE



REFERENCE NO: NR017

DATE RELEASED: 23 March 2005

EMRISE CORPORATION (OTCBB: EMRI), a multi-national manufacturer of defence and aerospace electronic components and subsystems and communications equipment, today announced that its U.K. subsidiary, XCEL Corporation Limited (XCEL), has completed the acquisition of Pascall Electronics Ltd. Pascall was founded over 25 years ago and operates in a 30,000 square foot facility off the south coast of England. Pascall, which has 120 employees, manufactures a range of proprietary power systems and radio frequency (RF) components and subsystems. Over 75% of these products are exported primarily to the U.S. Pascall specialises in power supplies for the civil aviation, defence, industrial, marine, space and transport markets.

Graham Jefferies, executive vice president and chief operating officer of EMRISE commented, "The acquisition of Pascall is a key part of our overall strategy to grow our core business, giving us critical mass and efficiencies in power supplies while also allowing us to enter the complementary RF component and subsystem business. We believe Pascall's presence as a key supplier to many of the leading aerospace companies such as Rockwell Collins, Thales and Matsushita reinforces our existing business relationships with these and many other common customers and provides a spring board for the growth of EMRISE as an ever larger supplier to this industry. The continuing growth of the civil aerospace market is evidenced by a high level of aircraft orders in 2004. This has set the tone going into 2005 which gives us confidence in higher future demand for Pascall's main in-flight entertainment system products (IFES). We believe indeed, latest market forecasts for airline spending gives cause for further optimism for the next five years."

Mr. Jefferies continued, "Pascall is among the world leaders in supplying power supplies and RF components and subsystems to the growing IFES market. Applications for these products in the IFES market go beyond seat back and overhead audio and video but now include the exciting developing on board distribution of consumer services such as WIFI, Bluetooth, cellular and satellite TV. These services and others would necessitate the extensive use of power supplies and RF products such as Pascall manufactures for new aircraft as well as the enormous retro-fit opportunity for aircraft already in service."

For further information please see contact information below, or email: sales@xcelpower.demon.co.uk

XCEL Power Systems Ltd
Brunswick Road
Ashford
Kent UK TN23 1EH
Tel +44 (0)1233 623404 Fax +44 (0)1233 641777