

4 May 2011

Eruma plc ('Eruma' or 'the Company')
Notice of AGM and Preliminary Results

Eruma plc, the AIM traded specialist provider of counter terrorism, intruder prevention products and intelligent lighting, announces it has posted its annual accounts to shareholders and is pleased to present its preliminary results for the year ended 31 December 2010. Furthermore, the Company gives notice of its Annual General Meeting ('AGM').

Chairman's Report

Eruma plc, as a specialist solutions provider of counter terrorism, intruder prevention and intelligent lighting solutions and energy saving products, has the ability to save lives, reduce risk, prevent disruption and loss, and dramatically reduce energy consumption and consequently the ongoing operating costs of businesses. We believe this represents a compelling proposition to any organisation seeking innovative ways to improve their businesses performance and protect their assets.

During 2010 we continued to take our products and message to market in line with our business plan which is designed to achieve operational profitability and further expansion of our addressable market and portfolio of solutions. Whilst we did not achieve operational profitability we achieved some significant milestones throughout the year that demonstrate significant progress towards our goals. In 2010 we achieved in comparison to 2009 the following:-

- a 25% increase in revenue from £966,000 to £1,206,000
- a 35% increase in gross profit from £346,000 to £468,000
- an improvement in gross profit percentage from 36% to 39%
- a 10% reduction in distribution and administration expenses
- a 25% reduction in our loss before tax from £945,000 to £713,000
- a 44% reduction in loss per share (basic and fully diluted)

We made much progress in the period in both in the UK and overseas. This, combined with significant new contract wins for our intelligent lighting, counter terrorism and intruder prevention solutions, the restructuring of our share capital and the raising of additional working capital, provided for a strong platform to finish the year.

We continued to make improvements to our operational efficiency and production processes which improved our gross profit percentage overall, in spite of tough economic climate. This was further helped by better tracking systems for development expenditure across the whole business.

Unfortunately, like many other businesses, we were impacted severely by the adverse weather conditions that started in December 2010 in the United Kingdom. This frustrated our efforts to complete new sales and critically to install orders already placed by clients. This was due in most part to closure of clients' facilities and lack of accessibility to key decision makers in relation to new business. This placed a significant burden on the business in terms of cash flow and put pressure on our working capital.

In spite of these challenges the directors and employees of Eruma plc and its subsidiaries continued to demonstrate total commitment to the success of the business and servicing client's requirements.

Security Blinds

Our operating division, trading as Security Blinds, manufactures physical systems that provide protection from multiple threats ranging from burglary and ram raids, to blasts from terrorist attacks and other forms of explosions.

We continued our push forward with international business development; especially where the continued and growing threat of terrorism is a reality on a daily basis and saw a significant increase in our sales pipeline and some significant new contract wins.

Illuminex

Our operating division, trading as Illuminex, manufactures intelligent lighting solutions that reduce costs through saving energy and concurrently reducing carbon footprint of organisations using them.

We have been successful in winning significant contracts in a range of market sectors where our solutions orientated approach delivers real savings and value to and organisation which makes it easy to see the return on investment.

Illuminex is now delivering revenue to the business and a strong pipeline of opportunities, which are contributing well to improving the overall move towards profitability for the business.

Our development of tools to assist in calculating return on investment models for our clients have helped them understand the true cost of the energy and the total carbon footprint they generate from their lighting solutions. This shows clearly how our products can provide significant reductions in carbon footprint and running costs with payback periods that make for a compelling economic and environmental argument in favour of investing our in our solutions.

A number of our clients are making use of the Carbon Trust funding schemes such as Salix in the public sector and other schemes for the Small and Medium Enterprise markets which offer them access to interest free funds so they can invest in our solutions sooner and realise the benefits they afford in protection and energy reduction.

Fundraising

During the period the Company sought a number of means of raising additional working capital to support the business' operational requirements and journey towards operational profitability, this ranged from trade finance facilities, other short term loans and the restructuring of its share capital and issue of new shares.

We restructured our share capital through a twenty for one share consolidation and raised £576,000 through the issue of 6,655,554 shares during the year at a price of nine pence a share.

We are continuing to explore routes to trade finance, as we believe this is an increasingly important element of our business development plans in international markets as well as other routes to raise finance.

The Board

The board has remained stable and focused and committed to the execution of the business plan and the drive towards improved performance. Throughout the year the board members have made many personal sacrifices in the interest of the Company and its shareholders including waiving in large part their salary for the majority of 2010 and I would personally like to thank each of them for their contribution and commitment in what can only be described as a pivotal year for the company in its quest towards operational profitability.

We successfully recruited a new finance director, David Tilman who also invested in the Company prior to joining as Finance Director. David, a chartered accountant, brings a wealth of expertise from over twenty years in related industries.

Outlook

2010 was about continuing the good progress made in 2009 and ensuring we have a solid platform for growth on 2011. Whilst we did not achieve operational profitability, all of our other key indicators improved significantly.

We have seen significant growth in our pipeline, our operational efficiency and the recognition of the value of our products to our clients increases steadily. We continue to see

repeat orders from existing clients where our solutions are designed in or specified as the standard solution, which is reducing our cost of sales.

We believe that 2011 is a significant year for the business in terms of a tipping point as both operating divisions are delivering orders and revenue back to business and we are seeing cross over opportunities between the operating divisions emerge which has long been recognised as a significant potential upside for the business.

We believe our business' overall potential in 2011 is significant and we continue to work towards operational profitability and ensure that we maintain the right level of working capital to aid the businesses growth.

David E Alexander
Non-Executive Chairman
3 May 2011

Notice of AGM

The Company has posted a notice of the AGM to shareholders and the AGM will be held at 11.00am on Thursday 26 May 2011 at the Company's offices at Underwood House, Shepherdess Walk Buildings, Underwood Street, London N1 7LG.

Eruma plc Full Year Results

The Full Year Annual Results are available on our website; www.erumapl.com.

Consolidated statement of comprehensive income for the year ended 31 December 2010

| | Year to 31 December 2010 £'000 | Year to 31 December 2009 £'000 |
|-------------------------|---|---|
| Revenue | 1,206 | 966 |
| Cost of sales | (738) | (620) |
| Gross profit | 468 | 346 |
| Distribution expenses | (476) | (659) |
| Administrative expenses | (661) | (599) |

| | | |
|---|--------------|--------------|
| Operating loss | (669) | (912) |
| Finance costs | (44) | (33) |
| Loss before tax | (713) | (945) |
| Corporation tax | 33 | 63 |
| Loss for the year | (680) | (882) |
| Total comprehensive income for the year | (680) | (882) |
| Loss attributable to: | | |
| Owners of the company | (680) | (882) |
| Total comprehensive deficit attributable to: | | |
| Owners of the company | (680) | (882) |

Loss per share

| | | |
|---------------|--------|---------|
| Basic | (6.6p) | (11.8p) |
| Fully diluted | (6.6p) | (11.8p) |

The company has no recognised gains or losses other than the results for the year as set out above.

Consolidated statement of financial position as at 31 December 2010

| | 31 December | 31 December |
|-------------------------------|--------------------|--------------------|
| | 2010 | 2009 |
| | £'000 | £'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 43 | 63 |
| Goodwill | 1,472 | 1,472 |
| Other intangible assets | 728 | 698 |

| | | |
|-------------------------------------|--------------|--------------|
| | 2,243 | 2,233 |
| Current assets | | |
| Inventories | 96 | 109 |
| Trade and other receivables | 231 | 179 |
| Cash and cash equivalents | 17 | 4 |
| | 344 | 292 |
| TOTAL ASSETS | 2,587 | 2,525 |
| EQUITY | | |
| Capital and Reserves | | |
| Share Capital | 2,121 | 2,055 |
| Share Premium | 4,273 | 3,763 |
| Retained loss | (5,096) | (4,416) |
| TOTAL EQUITY | 1,298 | 1,402 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Other non-bank loans | 627 | 627 |
| | 627 | 627 |
| Current liabilities | | |
| Trade and other payables | 662 | 456 |
| Other loans | - | 40 |
| | 662 | 496 |
| TOTAL LIABILITIES | 1,289 | 1,123 |
| TOTAL EQUITY AND LIABILITIES | 2,587 | 2,525 |

Consolidated statements of changes in equity for the year ended 31 December 2010

| Share Capital | Share Premium | Retained Loss | <i>Total</i> |
|------------------|------------------|------------------|--------------|
|------------------|------------------|------------------|--------------|

| | £'000 | £'000 | £'000 | £'000 |
|-----------------------------|--------------|--------------|----------------|--------------|
| At 1 January 2009 | 1,287 | 3,707 | (3,534) | 1,460 |
| Issue of share capital | 768 | 56 | - | 824 |
| Loss after tax for the year | - | - | (882) | (882) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 1 January 2010 | 2,055 | 3,763 | (4,416) | 1,402 |
| Issue of share capital | 66 | 510 | - | 576 |
| Loss after tax for the year | - | - | (680) | (680) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2010 | <u>2,121</u> | <u>4,273</u> | <u>(5,096)</u> | <u>1,298</u> |

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of the respective shares net of share issue expenses. Share issue expenses comprise a proportion of the costs incurred in respect of the offerings on the Alternative Investment Market of the London Stock Exchange.

Retained loss represents the cumulative loss of the Company attributable to equity shareholders.

Consolidated statement of cash flow for the year ended 31 December 2010

| | 31 December 2010 £'000 | 31 December 2009 £'000 |
|--|------------------------------|------------------------------|
| Net cash utilised by operating activities | (428) | (974) |
| Investing activities | | |
| Interest paid | (44) | (33) |
| Purchase of plant and equipment | (1) | (6) |
| Purchase of patents and trademarks | (5) | (14) |
| Capitalised product development cost | (85) | (139) |

| | | |
|---|--------------|--------------|
| Net cash from investing activities | (135) | (192) |
| <hr/> | | |
| Cash flows from financing activities | | |
| Proceeds on issue of shares | 576 | 823 |
| Proceeds on issue of convertible loan notes | - | 298 |
| <hr/> | | |
| Net cash from financing activities | 576 | 1,121 |
| <hr/> | | |
| Net cash (outflow) | 13 | (45) |
| Cash and cash equivalents at start of year | 4 | 49 |
| Cash and cash equivalents at end of year | 17 | 4 |
| <hr/> | | |

Notes to the consolidated statement of cash flow for the year ended 31 December 2010

| | 31 December 2010 £'000 | 31 December 2009 £'000 |
|---|---------------------------------------|---------------------------------------|
| <hr/> | | |
| Operating activities | | |
| Loss for the year | (669) | (912) |
| Adjustments for: | | |
| Income tax received | 33 | 63 |
| Depreciation of property, plant and equipment | 21 | 20 |
| Amortisation of other intangible assets | 60 | 50 |
| Operating cash flow before movement in working capital | (555) | (779) |
| <hr/> | | |
| (Increase)/decrease in inventories | 14 | 102 |
| (Increase)/decrease in receivables | (21) | (145) |

| | | |
|---|--------------|--------------|
| Increase/(decrease) in payables | 134 | (152) |
| Net cash outflow from operating activities | (428) | (974) |

****ENDS****

For further information please visit www.erumapl.com or contact:-

| | | |
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Notes

Incorporated in March 2005 and listed on AIM, Eruma plc has two divisions - Security Blinds and Illuminex.

Security Blinds is a leading manufacturer of physical security and protection systems in the UK. Servicing both the public and commercial sectors, the patented Secur™ system provides clients with protection against theft and forced entry. It also gives businesses and institutions the opportunity to take proactive steps to address the modern threat of terrorism having met stringent testing requirements to win endorsement by the Home Office, Association of Chief Police Officers, leading banks, and local authorities through its ability to protect people, property and equipment from bomb blasts. Additionally, Security Blinds produces the Anti Ram Raid Gate, which protects roller-shutters against ramming vehicles and forced entry by jacks or angle grinders.

Illuminex is a supplier and distributor of intelligent lighting systems, providing superior performance whilst reducing costs to businesses through reductions in energy consumption and maintenance overhead. Through using its systems, an organisation's environmental impact and carbon footprint can be significantly reduced, enabling them to seek government funding and loans to implement these solutions.

