

ERUMA PLC (the “Company”)

CHAIRMANS STATEMENT

Unaudited Interim Accounts for the period ended 30 June 2007

Eruma plc, the parent company of Security Blinds Ltd who specialise in prevention of burglary and counteracting bomb blast damage from terrorist attack or industrial explosions, is pleased to announce its interim results for the six month period to 30th June 2007.

Highlights

- Revenue increased by more than 300% from £121K in the first six months of 2006 to £510K for the equivalent period this year.
- Orders for the period exceeded the total installation revenues for the whole of 2007.
- Security Blinds Ltd completed a total re-branding exercise resulting in a greatly enhanced corporate image. The new image is more in keeping with the target audience of the Company. This manifested itself in a new brochure, an upgraded website and fresh executions for exhibitions, advertisements and point of sale material.
- The pipeline for our US partner has significantly increased in the last six months.
- Administrative expenses were in line with expectations.

Review and Outlook

The company remains in a strong position to capitalise on its investment in marketing, sales personnel and logistics. Eruma plc plans to continue with its strategy of upgrading all aspects of its operations with particular emphasis on high quality lead generation, the future lifeblood of the organisation.

The pipeline (quotations that have been made to prospective purchasers) is 80 % higher than the same period last year and this should result in continued high growth levels.

There are no immediate plans to increase headcount, we believe that we have the right profile to take us through into the 2008 fiscal year. Continuous training, is however, planned to ensure that we achieve maximum results from our resources.

There are high levels of interest in our blast resistant products because of the global threat of terrorism. We intend to test various options of the newly branded “Secur” range against much larger TNT equivalent explosive than already undertaken. It is planned that these tests will take place in the second half of the year and if successful will open up further opportunities in this specialist market.

The latter half of the period also saw considerable activity that has subsequently resulted in the acquisition of a new company, Illuminex Ltd. This exciting acquisition will enable Eruma to accelerate its revenues selling state-of-the-art lighting products into similar market areas where Security Blinds is achieving success.

Illuminex manufactures and sells LED (Light Emitting Diode) based products, which are extremely energy efficient and hence have a low carbon footprint that together with sophisticated monitoring capabilities offer unique benefits in the security lighting marketplace.

Your board is confident that its strategy of organic growth coupled with strategic acquisition will bring continued rapid revenue increases and guide the company into profit in a planned and controlled manner.

Philip Barnett
Chairman

30th August 2007

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Consolidated Income Statement for the six months ended 30 June 2007

	Six months to 30 June 2007 Unaudited £'000s	Six months to 30 June 2006 Unaudited £'000s	Year ended 31 December 2006 audited £'000s
Continuing operations			
Revenue	510	121	548
Cost of Sales	<u>(328)</u>	<u>(125)</u>	<u>(416)</u>
Gross Profit/ (Loss)	182	(4)	(132)
Administrative expenses	<u>(640)</u>	<u>(403)</u>	<u>(1,027)</u>
Operating Loss	(458)	(407)	(895)
Investment revenues	3	6	18
Finance costs	<u>-</u>	<u>-</u>	<u>(1)</u>
Loss before tax	(455)	(401)	(878)
Income tax charges	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the period from continuing operations attributable to shareholders	<u><u>(455)</u></u>	<u><u>(401)</u></u>	<u><u>(878)</u></u>
Loss per share			
From continuing operations:			
Basic and diluted	<u>(0.54p)</u>	<u>(0.56p)</u>	<u>(1.14p)</u>

The company's turnover and operating loss arise from continuing operations.

There were no recognised gains or losses other than those recognised in the income statement above.

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Consolidated Balance Sheet as at 30 June 2007

	As at 30 June 2007 Unaudited £'000s	As at 30 June 2006 Unaudited £'000s	As at 31 December 2006 Audited £'000s
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	9	14	10
Goodwill	871	871	871
Other intangibles	39	40	39
	919	925	920
<i>Current assets</i>			
Inventories	14	72	28
Trade and other receivables	73	(53)	43
Cash and cash equivalents	8	866	429
	95	885	500
Total assets	1,014	1,810	1,420
Equity and liabilities			
<i>Capital and reserves</i>			
Share capital	847	825	847
Capital Reserves	1,358	1,271	1,358
Retained earnings	(1,706)	(774)	(1,251)
Total equity	499	1,322	954
<i>Non current liabilities</i>			
Other loans	326	329	329
	326	329	329
<i>Current liabilities</i>			
Trade and other payables	185	145	134
Other loans	14	14	3
	189	159	137
Total liabilities	515	488	466
Total equity and liabilities	1,014	1,810	1,420

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Cash Flow Statement

For the six months ended 30 June 2005

	Note	Six months to 30 June 2007 Unaudited £'000	Six months to 30 June 2006 Unaudited £'000	Year ended 31 December 2006 Audited £'000
Operating Activities	3	(419)	(348)	(922)
Investing Activities				
Interest received		3	6	8
Interest paid		-	(6)	(1)
Purchases of plant and equipment		(3)	(7)	(6)
Financing Activities				
Proceeds on issue of shares		-	905	1,014
Repayment of bank loan		(2)	(10)	-
Net cash inflow		(421)	540	103
Cash and cash equivalents at the beginning of the period		<u>429</u>	<u>326</u>	<u>326</u>
Bank balances and cash		<u>8</u>	<u>866</u>	<u>429</u>

Consolidated statement of changes in equity

	As at 30 June 2007 £'000s	As at 30 June 2006 £'000s	As at 31 December 2006 £'000s
As at beginning of period	954	818	818
Deficit for the period	(455)	(401)	(878)
Issue of share capital	-	<u>905</u>	<u>1,014</u>
As at end of period	<u>499</u>	<u>1,322</u>	<u>954</u>

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Notes to the Interim Report

1. Significant Accounting Policies

These accounts have been prepared in accordance with International Financial Reporting Standards and on the historical cost basis, using generally recognised accounting principles. Consistent with those used in the annual report and accounts for the year ended 31 December 2006.

This interim report for the six months to 30 June 2007 was approved by the Board on 2007.

2. Loss per Share

	Six months to 30 June 2007	Six months to 30 June 2006	Year ended 31 December 2006
Earnings per ordinary shares			
Basic and diluted	(0.54p)	(0.56p)	(1.14p)

The loss per ordinary share is based on the company's loss for the period of £455,000 and a basic and diluted weighted average number of shares in issue of 84,687,142.

3. Reconciliation of operating loss to net cash outflow from operating activities.

	Six months to 30 June 2007 £'000s	Six months 30 June 2006 £'000s	Year ended 31 December 2006 £'000s
Loss for the period	(458)	(401)	(895)
Adjustments for :			
Amortisation of other intangibles	1	1	2
Depreciation of property, plant and equipment	3	3	6
(Increase) in inventories	14	(34)	(10)
(Increase)/Decrease in receivables	(30)	58	38
Increase in payables	51	25	7
Net cash from operating activities	(419)	(348)	(922)

4. Called up Share Capital

The issued share capital as at 31 December 2006, per the audited accounts was 84,687,142 Ordinary Shares of 1p each.

5. The results for the six months ended 30 June 2007 are unaudited and do not constitute statutory accounts as defined in section 240 of the Companies Act 1985. They have been prepared using accounting bases and policies consistent with those used in the preparation of the financial statements of Eruma PLC for the year ended 31 December 2006.

The comparative figures for the year ended 31 December 2006 are extracted from the statutory financial statements which have been filed with the Registrar of Companies and which contain an unqualified audit report and did not contain statements under Section 237(2) or (3) of the Companies Act 1985.

- 6.** Copies of this interim statement are available from the Company at its registered office at Underwood House, Shepherdess Walk Buildings, Underwood Street, London, N1 7LG. The interim statement will also be available on the company website www.erumapl.com.