Eruma plc / Index: AIM / Ticker: ERU / Sector: Support Services

30 September 2008

Eruma plc ('Eruma' or 'the Company')
Interim Results

Eruma plc, the AIM traded specialist provider of counter terrorism and burglary protection products and emergency lighting, announces its unaudited interim accounts for the six month period ending 30th June 2008.

Overview

- Order flow increase of 24.5% to £751,064 (2007: £603,175)
- Appointment of General Sir Alistair Irwin as Strategic Advisor to the Board
- Renewed focus on marketing Security Blinds product in "Security Hotspots" such as Middle East and North Africa
- Continued successful testing of Secur products against bomb blasts
- Approved supplier status acquired with major UK public transport provider

For further information please visit www.erumaplc.com or contact:

Wayne Money	Eruma plc	Tel: 020 7566 2610
Clive Carver / Ed Frisby	FinnCap	Tel: 020 7600 1658
Victoria Thomas	St Brides Media & Finance Ltd	Tel: 020 7236 1177
Chris Welsh	St Brides Media & Finance Ltd	Tel: 020 7236 1177

Chairman's Statement

This has proved to be another busy period for the Company in which we have continued to diversify our client base in both of our key business divisions, Security Blinds Ltd. and Illuminex Ltd. We have worked hard during this time to expand both the geographic scope of our business and move our products into previously untapped sectors.

Security Blinds

Our Secur™ product has been developed to provide buildings and other assets with a superior level of protection against theft, burglary and in the case of our advanced Secur™ Ultra product, car and lorry bombs. The concept of the product is simple; an unobtrusive fixture resembling conventional vertical window blinds, but concealing a set of reinforced steel bars preventing forced entry to premises. Blades concealing the bars move freely and are adjustable to control light levels and in the case of Secur Ultra, will snap shut in the event of an external explosion, protecting people inside the structures from injuries caused by flying glass.

During the period we have focussed on further promoting the value of the product as a counter terrorism measure both at home and abroad. A major milestone in this respect was the recent appointment of General Sir Alistair Irwin as Strategic Advisor to the Board. Sir Alistair has over 35 years of military experience with the British Army, serving as General Officer Commanding Northern Ireland and culminating his career as Adjutant General – responsible for all personnel matters in the Army. Sir Alistair has extensive experience of counter terrorism operations and strategy and has advised ministers, civil servants and civilian officials in this capacity at the highest level around the world. Eruma stands to benefit a great deal from his knowledge, expertise and international contacts and we look forward to working closely with him in the future.

We have absolute confidence in the product's ability to provide unrivalled protection in an exposed blast environment. In order to produce further verification of the product's capabilities, we have continued controlled blast tests at Spadeadam in Cumbria. Impressive results from testing have attracted interest from international distributors that cover a broad range of product lines within the security sector. A sizable proportion of this interest is generated from overseas regions where the threat of terrorism is a very real day to day threat.

I have no doubt that our product has the potential to save lives in security hotspots such as Europe, the Middle East and North Africa and I believe that increasing political instability in these areas will present the Company with increased opportunities in the future. We are currently quoting in areas such as Afghanistan, Islamabad and Algiers and I look forward to providing further reports on our progress in this arena.

During the period we have also been working to develop our operations in the United States. Entry into the US market has been a gradual process due to the need to work with Federal Government in order to attain official certifications and listings. Earlier this year our US distributor achieved State Department certification for forced entry, thereby opening up the opportunity to install Security Blinds products in US embassies worldwide. The commercial and government sectors in the US present us with a wealth of opportunity and the Company is now well placed to take advantage of this in the future.

In the UK we have been building on our corporate client base for the Secur product, and during the period we have attained approved supplier status from a major metropolitan public transport provider. We aim to continue building on relationships such as this with other organisations in the public and private sector.

Illuminex

We have continued to develop Illuminex since Eruma's 100% acquisition of the Company and associated intellectual property rights in July 2007. Illuminex provides state of the art emergency lighting products which enable businesses to comply with Health and Safety legislation in the UK. The law dictates that it is a requirement for public sector buildings to have back-up lighting in the event of a power cut or lighting failure, which must be tested on a regular basis. The Illuminex Xscape series of products enables facilities managers to monitor the emergency lighting systems via a PC which alerts the user if a unit needs maintenance of replacement.

In marketing Illuminex we have been keen to highlight and demonstrate the Xscape product's green credentials. The system uses lithium ion and LED technology which, unlike conventional fluorescent tubes, contain no hazardous substances. Furthermore these materials do not require costly specialist disposal and are cheap and easy to recycle.

The use of LED technology in the system significantly reduces energy consumption and therefore has the potential to save businesses thousands of pounds over the life of the product. We believe that this will become increasingly relevant to potential customers in the future as energy prices continue to rise.

Going forward we will look to continue the development of both our client base and product range. We believe that this state of the art, cost saving and environmentally friendly product is far superior to anything currently on the market and places the Company in a hugely advantageous position for the future.

We continue to work closely with Philips Lighting UK, following our agreement in March 2008. Philips continues to market the DALI protocol version of Illuminex's Xscape Series emergency lighting product range within the UK. In what is still an early stage for the product, we have begun to build up a customer base, with clients including Oxford University, Northumbria University, the Scottish Family Records Office and various hospitals, undertaking installations of the Illuminex systems this year.

Financial

Our order book remains healthy with orders at the end of the period standing at £751,064 (2007: £603,175), representing a 24.5% increase on last year and remains an extremely encouraging sign for the future.

Recent economic conditions have however impacted our financial performance. Our revenues for the period are lower at £366,000 than at the same period last year (2007:

£510,000) and we have reported an increased loss of £676,000 compared to £455,000 last year.

Outlook

The first half of the year has seen us continue to invest in the development of our products in both divisions and we look to continue this in the future. Our focus in the coming period will be to firstly build our international client base for Security Blinds through increased marketing and engagement with parties in areas where security against terrorist attack is a chief concern.

Secondly, the Company will also look to build on the current Illuminex offering by expanding the range of products on offer. The market potential for the product given its advantages over competitors is exceptional and we will aim to move the brand towards the achievement of its full potential.

The Company is adamant that the superior quality of our products will enable us to generate orders in the most difficult market conditions. We have world class products positioned in sectors that we believe will continue to grow and I look forward to providing you with reports on our ongoing progress and development, as we take advantage of this in the future.

Philip Barnett
Chairman

ERUMA PLC

Consolidated Income Statement
For the six months ended 30 June 2008

	Six months to 30 June 2008 Unaudited £'000s	Six months to 30 June 2007 Unaudited £'000s	Year ended 31 December 2007 audited £'000s
Continuing operations			

Revenue	366	510	955
Cost of Sales	(215)	(328)	(612)
Gross Profit/ (Loss)	151	182	343
Distribution expenses	(334)	(640)	(624)
Administrative expenses	(498)	-	(561)
Operating Loss	(681)	(458)	(842)
Investment revenues	5	3	6
Finance costs	-	-	(1)
Loss before tax	(676)	(455)	(837)
Income tax charges	-	-	-
Loss for the period from continuing operations attributable to shareholders	(676)	(455)	(837)
Loss per share			
From continuing operations:			
Basic and diluted	(0.59p)	(0.54p)	(0.90p)

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.

Consolidated Balance Sheet as at 30 June 2008
For the six months ended 30 June 2008

	As at 30 June 2008 Unaudited £'000s	As at 30 June 2007 Unaudited £'000s	As at 31 December 2007 Audited £'000s
Assets			
Non-current assets			
Property, plant and equipment	49	9	45
Goodwill	1,472	871	1,472
Other intangibles	357	39	261
	1,878	919	1,778
Current assets			
Inventories	121	14	75
Trade and other receivables	444	73	332
Cash and cash equivalents	620	8	407
	1,185	95	814
Total assets	**3,063**	**1,014**	**2,592**
Equity and liabilities			
Capital and reserves			
Share capital	1,288	847	1,094
Capital Reserves	3,706	1,358	2,799
Retained earnings	(2,765)	(1,706)	(2,088)
Total equity	2,230	499	1,805
Non current liabilities			
Other loans	329	326	329

	329	326	329
Current liabilities			
Trade and other payables	472	175	422
Other loans	-	14	-
Bank overdraft	32	-	36
	504	189	458
Total liabilities	833	515	787
Total equity and liabilities	**3,063**	**1,014**	**2,592**

Cash Flow Statement
For the six months ended 30 June 2008

	Note	Six months to 30 June 2008 Unaudited £'000	Six months to 30 June 2007 Unaudited £'000	Year ended 31 December 2007 Audited £'000
Operating activities	**3**	(786)	(419)	(1,009)
Investing activities				
Interest received		5	3	6
Interest paid		-	-	(1)
Purchases of plant and equipment		(5)	(3)	(43)
Purchase of patents and trademark		-	-	(1)
Capitalisation of product development cost		(97)	-	(223)

Acquisition of subsidiary	-	-	(125)
Net cash flow investing activities	(98)	-	(387)
Financing activities			
Proceeds on issue of shares	1,101	-	1,338
Repayment of bank loan	-	(2)	-
Net cash flow from financing activities	1,101	(2)	1,338
Net cash inflow/(outflow)	217	(421)	(58)
Cash and cash equivalents at the beginning of the period	371	429	429
Bank balances and cash	588	8	371

Consolidated statement of changes in equity
For the six months ended 30 June 2008

	As at 30 June 2008 £'000s	**As at 30 June 2007 £'000s**	**As at 31 December 2007 £'000s**
As at beginning of period	1,805	954	954
Deficit for the period	(676)	(455)	(837)
Issue of share capital	1,101	-	1,688
As at end of period	2,230	499	1,805

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 2007.

This interim report for the six months to 30 June 2008 , which complies with IAS 34 ,was approved by the Board on 29 September 2008.

2. Loss per Share

	Six months to 30 June 2008	**Six months to 30 June 2007**	**Year ended 31 December 2007**
Earnings per ordinary shares			
Basic and diluted	(0.59p)	(0.54p)	(1.90p)

The loss per ordinary share is based on the company's loss for the period of £676,000 (30 June 2007- £455,000;31 December 2007- £837,000) and a basic and diluted weighted average number of shares in issue of 115,283,037 (30 June 2007- 84,687,142;31 December 2007- 93,415,994).

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

	Six months to 30 June 2008 £'000s	**Six months 30 June 2007 £'000s**	**Year ended 31 December 2007 £'000s**
Loss for the period	(681)	(458)	(842)
Adjustments for :			
Amortisation of other intangibles	1	1	2
Depreciation of property, plant and equipment	2	3	8
(Increase)/ Decrease in inventories	(46)	14	(47)
(Increase)/Decrease in receivables	(112)	(30)	(288)
Increase in payables	50	51	158

Net cash from operating activities	(786)	(419)	(1,009)

4. Called up Share Capital

The issued share capital as at 31 December 2007, per the audited accounts was 109,266,142 Ordinary Shares of 1p each. On 3 April 2008, the Company issued 8,346,153 ordinary shares of 1p each issued at 6.5p per share. On 10 June 2008, the Company issued 10,491,482 ordinary shares of 1p each issued at 5.75p per share.

5. The unaudited results for period ended 30 June 2008 do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The comparative figures for the year 31 December 2007 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.erumaplc.com.