

17 September 2007

ENFIS GROUP PLC
("Enfis" or "the Company")

Interim results for the six months ended 30 June 2007

Enfis, a leader in the design, development and manufacture of intelligent high power light emitting diode (LED) arrays and smart light engines, is pleased to announce its maiden interim results for the half year ended 30 June 2007.

Operational highlights

- The sign-up of 6 contracts with distributors and value added integrators (13 signed to date)
- Progress in relation to the product implementation roadmap including the launch of the RGBA UNO at the PLASA conference, London in September 2007
- The establishment of a representative office in Shanghai to give Enfis a permanent base in Asia Pacific
- The recruitment of an experienced manufacturing professional to implement the out-sourced manufacturing model
- The joining of a research project with eight other partners to develop energy efficient solid-state light sources

The period following listing has been transitional, concentrating on putting key products and sales channels in place while defining and implementing an out-sourced manufacturing model.

Financial summary

The performance of the business continues to be in line with management expectations and the road map as set out at the time of admission. Revenues, gross profit and loss before tax for the 6 months to 30 June 2006 were based around Enfis' previous model and are no longer relevant to the continuing business plan. Capital was raised to commercialise the technology advantage that Enfis has within the solid state lighting sector. Emerging from a period of research and development, funded by private capital, Enfis has produced a high end plug and play multi watt light engine which facilitates accelerated take up of its solid state lighting products within its target markets. Revenues are down on the comparative period in 2006, this containing revenue from research and development carried out on behalf of a specific customer in the medical sector. Revenue of this type does not form a strong part of Enfis' future.

Enfis' year to 31 December 2007 is expected to be dominated by its admission to AIM and simultaneous fundraising, which has provided sufficient capital to commercialise the technology. As expected, the company is currently expending cash and will continue to do so until sufficient revenue is secured to put it on a stable financial footing.

Turnover for the period of £98,000 is slightly better than expected although most of the revenue anticipated for 2007 occurs in the second half of the year. Other income of £68,000 received during the period relates to grants receivable.

Gross profit is low. Although a volume manufacturing solution is in place, it cannot be implemented at current production quantities.

Greater than anticipated use of cash within development and working capital has been mitigated by efficiencies in treasury management and raising grant funds leaving overall cash utilisation generally in line with forecast.

Performance against road map

At the time of admission, Enfis set out to establish a European distributor base. Enfis has signed Farnell UK Ltd, RS Components Ltd and others in Europe since admission and has recently established an office in Shanghai to facilitate the signing of both distributors and direct income deals with companies based in Asia Pacific. The relationship is now being formalised through the representative office as confidence in the new venture grows. The Company forecasted the sign-up of 16 distributors by the end of the year and is on target to achieve that number.

The next generation of Enfis products is being introduced to the market with prototype light engines having been sent to potential customers as set out at the time of admission. In September 2007, the Company launched its RGBA UNO device at PLASA, an international lighting conference in London. Further product launches are still on track.

Shaun Oxenham, CEO of Enfis, commenting on the results said:

“Outlook for the sector in general and particularly Enfis continues to be exciting. The solid state lighting environment continues to attract both direct and indirect political and economic pressure to move away from the incandescent light towards a more energy efficient alternative. Enfis is well positioned to take advantage of this opportunity.

Solid state lighting is also producing a vibrant corporate market with a number of transactions including Philips' purchase of Color Kinetics for total consideration of \$791m and TIR Systems in June 2007 for \$75m.

I am extremely pleased with Enfis' progress since admission to AIM in March of this year, hitting all of our targets we set out to achieve. We have seen a real boost to our presence within the LED market with our recent launch of our new RGBA UNO at PLASA in London last week. Feedback has been positive and we are already in interesting discussions promoted through our new office in Shanghai.”

Enquiries

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NOTES TO EDITORS

Headquartered in the UK, Enfis is a global leader in the design, development and manufacture of intelligent high-power light emitting diode (LED) arrays and smart light engines. With a long history of innovation, Enfis holds many patents for controlling the power and thermal management of semiconductor devices. Having conceived the technology to enable high brightness LED array products to be realized and brought to the market, the company was recently successfully floated on the London Stock Exchange.

Enfis products incorporate 'plug & play' electronic and thermal management controls with a simple user interface straight from the box. This enables integrators to minimize time-to-market and the associated costs and risks.

Ideally suited for architectural and entertainment lighting, industrial, medical and dental applications, Enfis provides LED light solutions throughout the visible spectrum, UV, IR and also single colour white and full colour changing RGBA options. The two current product ranges, the UNO and QUATTRO, come in a range of sizes from 18W to 400W.

INTERIM RESULTS FOR THE 6 MONTHS TO 30 JUNE 2007

Consolidated income statement

Notes	6 months ended 30 June 2007 (unaudited) £000	6 months ended 30 June 2006 (unaudited) £000	Year ended 31 December 2006 (audited) £000
	Revenue	187	222
	Cost of sales	(112)	(305)
	Gross profit / (loss)	75	(83)
	Administrative expenses	(661)	(1,334)
	Other income	12	46
	Operating loss for the period	(574)	(1,371)
	Net finance income / (cost)	(35)	(82)
	Loss before taxation	(609)	(1,453)
	Taxation	-	-
	Loss after taxation	(609)	(1,453)

All activities above relate to the continuing operations of the group.

Consolidated balance sheet

Notes	Assets	30 June 2007 (unaudited) £000	30 June 2006 (unaudited) £000	31 December 2006 (audited) £000
	Non-current assets			
	Intangible assets	184	120	121
	Property, plant and equipment	211	146	191
		395	266	312
	Current assets			
	Inventories	216	35	61
	Trade and other receivables	200	128	318
	Corporation tax receivable	1	150	1
	Cash and cash equivalents	3,136	208	219
		3,553	521	599
	Total assets	3,948	787	911
	Capital and reserves attributable to equity holders of the company			
	Ordinary shares	894	1	2
	Capital redemption reserve	-	-	-
	Share premium	3,589	1,835	2,554
	Preference shares (equity element)	-	78	78
	Share option reserve	71	184	221
	Share warrants	-	-	-
	Reverse acquisition reserve	2,284	-	-
	Retained losses	(3,583)	(2,103)	(2,913)
3	Total equity	3,255	(5)	(58)
	Liabilities			
	Non-current liabilities			
	Deferred income	112	96	48
	Borrowings	132	459	518
		244	555	566
	Current liabilities			

Trade and other payables	384	219	340
Borrowings	65	18	63
	449	237	403
Total liabilities	693	792	969
Total equity and liabilities	3,948	787	911

Consolidated cash flow statement

Notes	6 months ended 30 June 2007 (unaudited) £000	6 months ended 30 June 2006 (unaudited) £000	Year ended 31 December 2006 (audited) £000
2			
Cash outflows from operating activities			
Cash used in operations	(1,128)	(609)	(1,225)
Interest paid	(43)	(44)	(21)
R&D tax credits received	-	-	149
Net cash used in operating activities	(1,171)	(653)	(1,097)
Cash flows from investing activities			
Purchase of property, plant and equipment	(47)	(34)	(102)
Purchase of intangible assets	(131)	(39)	(58)
Receipt of government grants	103	102	118
Interest received	49	8	9
Net cash (used)/generated from investing activities	(26)	37	(33)
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares	4,147	-	482
Proceeds from borrowings	-	-	53
Repayments of borrowings	(15)	-	(2)
Finance lease principal repayments	(17)	(8)	(17)
Net cash generated/(used) from financial activities	4,115	(8)	516
Net increase/(decrease) in cash and cash equivalents	2,918	(624)	(614)
Cash and cash equivalents at the beginning of the period	218	832	832
Cash and cash equivalents at the end of the period	3,136	208	218

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 Basis of preparation

This interim report has been prepared under International Financial Reporting Standards (IFRS).

The accounting policies that have been used are consistent with those used in the preparation of the IFRS financial statements for the period ended 31 December 2006 of Enfis Limited, as disclosed in the Admission Document to AIM, together with the accounting policy for the reverse acquisition as set out below.

A detailed analysis of the adjustments arising on the conversion of the previously reported UK GAAP figures of Enfis Limited to those now reported under IFRS accounting principles is set out in the Admission Document to AIM.

The preparation of the Interim Report requires management to make estimates and assumptions that affect both the reported income and expense and the reported assets and liabilities at the date of the Interim Report. Although these estimates are based on management's best judgement at the date of the Interim Report, actual results may differ from these estimates.

The interim financial information is unaudited but has been reviewed by the auditors and their review opinion is included in this report.

The financial statements contained in this interim announcement do not constitute accounts within the meaning of S240 of the Companies Act 1985.

Reverse Acquisition

Under IFRS3, Business Combinations, the group reconstruction that took place during the period has been accounted for as a reverse acquisition. Although the consolidated information presented in this report has been issued in the name of the legal parent, Enfis Group plc, it represents in substance a continuation of the financial information of the legal subsidiary, Enfis Limited. The following accounting treatment has been applied in respect of the reverse acquisition:

1. The assets and liabilities of the legal subsidiary Enfis Limited are recognised and measured in the consolidated financial information at their pre-combination carrying amounts, without restatement to fair value;
2. The retained (loss) and other equity balances recognised in the consolidated financial information reflect the retained earnings and other equity balances of Enfis Limited immediately before the business combination. However, the equity structure appearing in the consolidated financial information reflects the equity structure of the legal parent, Enfis Group plc, including the equity instruments issued to the shareholders of Enfis Limited to effect the business combination; and
3. Comparative numbers presented in the consolidated financial information are those reported for the legal subsidiary Enfis Limited. The comparative financial information comprises the audited financial statements for the year ended 31 December 2006, and the unaudited management accounts, prepared under IFRS, for the six months ended 30 June 2006.

2 Cash used in operations

	6 months ended 30 June 2007 (unaudited) £000	6 months ended 30 June 2006 (unaudited) £000	Year ended 31 December 2006 (audited) £000
Loss before income tax	(891)	(609)	(1,453)
Adjustments for:			
- Depreciation	25	19	43
- Amortisation - intangibles	70	15	33
- Amortisation - grant income	(68)	(12)	(47)
- Share based payments	71	38	76
- Finance (income) / cost	(94)	36	82
Changes in working capital:			
- Inventories	(155)	-	(26)
- Trade and other receivables	(118)	(42)	(31)
- Trade and other payables	32	(54)	98

Cash used in operations	(1,128)	(609)	(1,225)
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3 Movement in Shareholders funds

	Ordinary share capital £'000	Deferred share capital £'000	Capital redemption reserve £'000	Preference shares (equity element) £'000	Share premium £'000	Share option reserve £'000	Reverse acquisition reserve £'000	Retained losses £'000	Total £'000
At the beginning of the period in Enfis Limited	2	-	-	78	2,554	221	-	(2,913)	(58)
Conversion of preference shares	-	300	-	(78)	-	-	-	-	222
Redemption of deferred shares	-	(300)	300	-	-	-	-	-	-
Share for share exchange (Enfis Group plc with Enfis Limited)	572	-	-	-	-	-	(572)	-	-
Reverse Acquisition adjustments	(2)	-	(300)	-	(2,554)	-	2,856	-	-
AIM listing (Issue of new shares)	322	-	-	-	4,178	-	-	-	4,500
Expenses incurred on issue of new shares	-	-	-	-	(589)	-	-	-	(589)
Share option valuation	-	-	-	-	-	(221)	-	221	-
Loss for the period	-	-	-	-	-	71	-	(891)	(820)
At the end of the period in Enfis Group plc (consolidated)	894	-	-	-	3,589	71	2,284	(3,583)	3,255

3 Movement in Shareholders funds (continued)

Conversion of preference shares

On 16 March 2007, the holders of the 300,000 10 per cent cumulative fixed dividend preference shares exercised their option to convert these shares into a combination of ordinary equity shares and deferred equity shares in Enfis Limited.

The conversion rights applicable to the preference shares entitled the holder to convert the preference shares in the ratio of 344 preference shares, for 100 ordinary shares and 3,439 deferred ordinary shares in Enfis Limited.

The deferred ordinary shares were redeemed from the holder on 16 March 2007 for a consideration of £1. The nominal value of the deferred ordinary shares redeemed has been transferred to a capital redemption reserve.

The redemption of the deferred ordinary shares was facilitated through the fresh issue of two new ordinary shares on 16 March 2007.

Share for share exchange

On 16 March 2007, the entire issued share capital of Enfis Limited was acquired by Enfis Group plc. The consideration payable in respect of this transaction was settled via a share for share exchange, whereby three ordinary shares in Enfis Group plc were exchanged for each allotted share in Enfis Limited.

AIM Listing

Enfis Group plc listed on AIM on 23 March 2007, the placing comprised 3,214,286 Ordinary Shares at a placing price of 140p and raised £4,500,000 gross of associated costs.

Independent review report to Enfis plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2007 which comprises the consolidated interim balance sheet as at 30 June 2007 and the related consolidated interim statements of income, cash flows and changes in shareholders' equity for the six months then ended and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

This interim report has been prepared in accordance with the basis set out in Note 1. As disclosed in note 1, the next annual financial statements of the company will be prepared in accordance with IFRSs as adopted by the European Union. The accounting policies are consistent with those that the directors intend to use in the next annual financial statements.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

PricewaterhouseCoopers LLP
Chartered Accountants
Cardiff

Notes:

(a) The maintenance and integrity of the Enfis Group plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters

and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.