

**12 MARCH 2009**  
**Embargoed for release at 7.30 a.m.**

**ENFIS GROUP PLC**  
**(“Enfis” or the “Company”)**

**Preliminary results for the year ended 31 December 2008**

**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 preliminary results for the year ended 31 December 2008.**

**Financial Highlights**

- Revenue up 430% to £1.6m, in line with expectations (2007: £307k)
- Gross profit of £605k (2007: £38k)
- Year end cash of £641k
- Reduced loss for the year of £1.3m (2007: £1.9m)
- Contracted approximately £800k of advance sales for 2009 and £2.2m for 2010.

**Operating Highlights**

- Manufactured and shipped 18,000 units to 207 customers (2007: 3,000 units to 60 customers).
- Launched Quattro Mini to market which is now receiving strong orders.
- Established representative sales office in North America.
- Shanghai office delivering significant revenue following the opening in late 2007.
- Secured relationships with Tier 1 and Tier 2 lighting companies in EU and North America.
- Launched Lighting Evolution Centre resulting in 15 current product conversion projects.
- Management team strengthened with the addition of VP of Sales and Marketing for North America.
- Uno and Uno Plus products produced in volume with proven quality and yields.

- Significant increase in developed sales pipeline for 2009 and beyond.
- The Company has also announced today its intention to raise approximately £2 million before expenses by way of a placing to fund additional working capital to support the growth of the Company and the expansion of its North American operations (see separate announcement).

**Shaun Oxenham, Chief Executive, commented:**

“The Board is pleased with the progress made by the Company and recognises the significant advances we have made in terms of sales revenue growth in 2008 and the increased sales pipeline for 2009 and beyond.

“Legislation continues to push for the phasing out of incandescent lighting technology in favour of more efficient lighting. The legislative drives are now beginning to directly affect the markets in North America as well as the EU. The end consumers of lighting products are now becoming much more aware of the opportunities that solid state lighting can bring, and understand the well documented quality and environmental disadvantages that CFL lamps cause.

“Even given the current economic climate, the long term prospects for Enfis are extremely positive and the Board remains confident of long term growth.”

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**ENFIS GROUP PLC**  
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**Preliminary results for the year ended 31 December 2008**

**Chief Executive Officer’s statement**

2008 has seen Enfis emerge as a significant participant in the solid state lighting markets. Having built a strong distribution network in 2007, with 20 distributors covering the major markets of the EU and North America, Enfis switched its focus onto direct sales into the lighting manufacturers and integrators that service lighting manufacturers. As a result, we have successfully engaged with 207 customers in 2008 and experienced a significant increase in sales. It was particularly pleasing to note the performance of our manufacturing capabilities in the face of this increased demand, particularly for both the UNO and UNO Plus products. Our manufacturing yields achieved our target of 95% and our return rate was well ahead of target at only 0.03%. This is further evidence of the scalability of our business, with the ability to increase output whilst maintaining the excellent quality standards of our product in the market.

Enfis secured relationships with many major lighting companies in all territories in which we operate, and we expect to see many of the developed product lines with those customers become volume sales in 2009.

We have largely completed our portfolio of products with the addition of the Quattro Mini light engine and also a range of optics and drivers for the UNO and UNO Plus range of light engines. We also have developed a number of unique products at the tail end of 2008 that will allow Enfis to further exploit our IP in 2009 and 2010. The products will be announced in 2009 and will include lower cost versions of our platform, and versions with both higher output and higher light quality.

Enfis expects to continue the healthy increase in sales in 2009 based upon relationships and products developed during 2008 and with revenue contributions coming from our North American operation headed by Dan Polito.

**Outlook**

The Board is pleased with the progress made by the Company and recognises the significant advances that we have made in terms of sales revenue growth in 2008 and the increased sales pipeline for 2009 and beyond. We have also bolstered the management team with the addition of a Vice President of Sales and Marketing for North America and look forward to the potential growth from that market.

Legislation continues to push for the phasing out of incandescent lighting technology in favour of more efficient lighting. The legislative drives are now beginning to directly affect the markets in North America as well as the EU. The end consumers of lighting products are now becoming much more aware of the opportunities that solid state lighting can bring, and understand the well documented quality and environmental disadvantages that CFL lamps cause.

The Company has also announced today its intention to raise approximately £2 million before expenses by means of a placing of 5,600,000 shares at 36p per share. A circular

is expected to be posted to shareholders later today, which will include a Notice of General Meeting to be held on or around 6 April 2009. These funds will be used to provide additional working capital to allow the Company to address any upside in current revenue forecasts that may occur, and to invest in additional funding in the North American operation, to provide technical assistance to the sales office, which is intended to help accelerate revenue .

Even given the current economic climate the long term prospects for Enfis are thus extremely positive and the Board remains confident of long term growth.

**ENFIS GROUP PLC**  
**('Enfis' or 'the Company')**

**Preliminary results for the year ended 31 December 2008**

**Chief Financial Officer's review**

The year to 31 December 2008 has been another successful one for Enfis with key metrics achieved in line with market expectations. As expected, the Company is currently expending cash and will continue to do so until a revenue stream is secured which is sufficient to put the business on a stable financial footing. The Board closely manages the Company's cash expenditure and will continue to do so up to and beyond the point that Enfis reaches profitability.

The Company has low levels of both financial and operational gearing, and therefore margin increases achieved will be strongly reflected in the cash balance.

***Revenue and margin***

Both revenue and margin in 2008 have grown strongly with turnover increased by 430% on the previous year. Gross margin has strengthened with two product lines now passing through volume production. Management believe that higher production volumes will result in further production efficiencies and a gross margin of circa 50%.

***Administrative Expenses***

In light of the wider economic downturn, management actively reduced the cost base during Q4 2008 to ensure the business is well placed going into 2009.

Cost reductions were made partly in response to the general economic climate and also in recognition that development of the initial product base was now largely complete, thereby requiring less of a cost base to support the Company going forward.

***Balance sheet***

Intangible assets relate to patents and development costs which have been capitalised where the specific conditions of IAS 38 have been met. No additional borrowings have been entered into during the period.

There is minimal debt on the balance sheet. This includes a historic bank loan of £88,375 and a finance lease which will be paid off before the end of 2009.

***Cash flow***

The cash balance at the year end was £640,944, slightly ahead of expectations.

The cash profile is expected to change in the coming year with less cash being spent on development and more being tied up in working capital required to service the expected increase in revenues.

Sources of cash during the year were an injection of equity in February 2008, interest from treasury investment, grant income and the securing of a significant R&D tax credit.

**Consolidated income statement  
for the year ended 31 December 2008**

	2008 £	2007 £
Revenue	1,628,002	307,013
Cost of sales	(1,023,458)	(268,906)
<b>Gross profit</b>	<b>604,544</b>	<b>38,107</b>
Administrative expenses	(2,608,107)	(2,308,737)
Other income	72,717	140,235
<b>Operating loss</b>	<b>(1,930,846)</b>	<b>(2,130,395)</b>
Finance income	54,434	124,215
Finance costs	(21,332)	(40,685)
	<b>33,102</b>	<b>83,530</b>
<b>Loss before tax</b>	<b>(1,897,744)</b>	<b>(2,046,865)</b>
Income tax credit	555,789	181,812
<b>Loss for the year</b>	<b>(1,341,955)</b>	<b>(1,865,053)</b>
<b>Attributable to:</b>		
Equity holders of the company	(1,341,955)	(1,865,053)
<b>Earnings per share for loss attributable to the equity holders of the Company</b>		
- basic	(17.3p)	(22.7p)
- diluted	(16.2p)	(20.4p)

The results relate to continuing operations.

**Consolidated balance sheet**  
**As at 31 December 2008**

	2008 £	2007 £
<b>Assets</b>		
<b>Non current assets</b>		
Property, plant and equipment	217,575	235,351
Intangible assets	540,447	399,934
	<b>758,022</b>	<b>635,285</b>
<b>Current assets</b>		
Inventories	351,108	277,876
Trade and other receivables	218,373	211,862
Corporation tax receivable	271,392	-
Cash and cash equivalents	640,944	1,999,424
	<b>1,481,810</b>	<b>2,489,162</b>
<b>Total assets</b>	<b>2,239,839</b>	<b>3,124,447</b>
<b>Capital and reserves attributable to equity holders of the Company</b>		
Ordinary shares	938,286	893,606
Share premium	4,067,413	3,585,446
Share option reserve	144,081	61,749
Reverse acquisition reserve	2,283,667	2,283,667
Retained losses	(5,767,321)	(4,425,358)
<b>Total equity</b>	<b>1,666,126</b>	<b>2,399,110</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred income	35,000	65,748
Borrowings	58,075	106,105
	<b>93,075</b>	<b>171,853</b>
<b>Current liabilities</b>		
Trade and other payables	432,608	495,046
Borrowings	48,030	58,438
	<b>480,638</b>	<b>553,484</b>
<b>Total liabilities</b>	<b>573,713</b>	<b>725,337</b>
<b>Total equity and liabilities</b>	<b>2,239,839</b>	<b>3,124,447</b>

**Consolidated cash flow statement  
for the year ended 31 December 2008**

	2008 £	2007 £
<b>Cash flows from operating activities</b>		
Cash used in operations	(1,811,691)	(2,236,731)
Interest paid	(21,332)	(40,685)
Tax received	284,419	182,787
Net cash used in operating activities	(1,548,604)	(2,094,629)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(58,702)	(103,567)
Purchase of intangible assets	(315,787)	(380,657)
Receipt of government grants	41,969	154,604
Interest received	54,434	124,215
Net cash used in investing activities	(278,086)	(205,405)
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of ordinary shares	526,648	4,143,890
Repayments of borrowings	(30,300)	(30,300)
Finance lease principal repayments	(28,138)	(32,914)
Net cash generated from financial activities	468,210	4,080,676
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(1,358,480)</b>	<b>1,780,642</b>
Cash and cash equivalents at the beginning of the year	1,999,424	218,782
<b>Cash and cash equivalents at the end of the year</b>	<b>640,944</b>	<b>1,999,424</b>

## **Notes to the preliminary announcement**

### **1. Basis of Preparation**

The unaudited results above do not amount to statutory accounts within the meaning of Section 240 of the Companies Act 1985. These results have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The unaudited results have been prepared on a going concern basis. Enfis has successfully raised £2 million by way of a placing which is subject to shareholder approval at a General Meeting of the Company on 6 April 2009.

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 2007 of Enfis Group Plc.

The audited accounts for the year ended 31 December 2007 have been delivered to the Registrar of Companies. The Annual Report and Financial Statements for the year ended 31 December 2008 will be delivered to the Registrar of Companies following the Annual General Meeting. Copies will be available to the public at the Company's registered office: Technium II, Kings Road, Swansea Waterfront, Swansea SA1 8PJ.

### **2. Dividends**

The Directors do not recommend the payment of a dividend.