

For immediate release

30 March 2009

**IMMERSION TECHNOLOGIES INTERNATIONAL PLC
("Immersion" or the "Company")**

**UNAUDITED INTERIM RESULTS FOR 6 MONTHS
ENDED 31 DECEMBER 2008**

CHAIRMAN'S STATEMENT

I am pleased to report Immersion's interim results for the 6 months ended 31 December 2008.

Results

The group made a loss for the six month period ended 31 December of £307,000 on a turnover of £24,000.

Review of Operations

The Technology

The Company has made progress in the evolution of the technology as follows:

Electrostatic Loudspeakers (ESL)

The technology has successfully been tailored towards specific requirements of various large-scale prospect customers. The ongoing customer demonstrations and feedback have provided a deeper insight into the needs and requirements for mainstream applications of ESL in Consumer Electronics markets (ie smaller sizes, higher sound pressure levels, and lower pricing for TV & Home-Theatre). The Company has been able to work within these requirements and has successfully delivered sample units which are currently being evaluated by various prospects.

Conventional Cone Loudspeakers (CCL)

The Company is looking to expand on the new and smaller prototypes of CCL speakers that were demonstrated at the Korea Audio Show in October 2008. These speakers were designed as a cost competitive solution and demonstrated high fidelity/high sound pressure level as well as being a small footprint (3 inch in size). This application is applicable for consumer electronic customers as well as automotive.

Trade Shows

During the year, the Company continued to generate positive interest from various customer demonstrations and trade shows. Company continues to produce sample and prototypes for potential customers in order to obtain a volume order for its products.

Overseas Facilities

The closure of overseas facilities as reported previously are nearing completion. The Company is developing alternatives for cost-efficient production of sample and

prototypes. Headcount across the Group has been further reduced to focus on commercialisation of technologies while minimising spend.

Nakamichi

The Company is looking to pursue a commercial negotiation with Nakamichi given Nakamichi's failure to take products pursuant to the supply agreement. The Company is proposing to settle the matter by mediation but if it cannot be resolved by commercial means then the Company will consider legal action in order to preserve the Company's rights.

Outlook

Recent developments in the global markets for Consumer Electronics have unilateral impact on the application of new and innovative technologies for prospect customers. Based however on the ongoing positive interest from potential customers the Management remains confident on the validity and future potential of the Company's technologies, albeit that larger scale applications may suffer further delays due to overall conditions in the global markets.

The Company will look at other opportunities in order to preserve shareholder value within the Company and in the meantime we will actively conserve our cash as much as possible.

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GROUP INCOME STATEMENT
FOR THE INTERIM PERIOD ENDED 31 DECEMBER
2008

	Notes	Six months ended 31 December 2008 (Unaudited) £ 000's	Six months ended 31 December 2007 (Unaudited) £ 000's	Year ended 30 June 2008 (Audited) £ 000's
Revenue		24	27	69
Cost of sales		(14)	(82)	(271)
Gross profit/(loss)		10	(55)	(202)
Administrative expenses		(319)	(1,000)	(2,309)
Group operating loss		(309)	(1,055)	(2,511)
Interest receivable		2	32	42
Loss before taxation		(307)	(1,023)	(2,469)
Income tax expense		-	-	-
Loss for the period attributable to shareholders	2 <	(307)	(1,023)	(2,469)
LOSS PER SHARE (pence)				
Basic/Diluted	3	0.12	0.45	1.08

GROUP BALANCE SHEET

	As at Notes31 December 2008 (Unaudited) £ 000's	As at 31 December 2007 (Unaudited) £ 000's	As at 30 June 2008 (Audited) £ 000's
Non-current assets			
Intangible assets	800	6,562	800
Plant and equipment	-	138	-
	800	6,700	800
Current assets			
Trade and other receivables	54	273	49
Inventories	48	121	-
Cash and cash equivalents	24	919	272
	126	1,313	321
Total assets	926	8,013	1,121
Current liabilities			
Trade and other payables	(186)	(117)	(273)
Provisions	(2)	-	(2)
Prepayments	-	(86)	-
Total liabilities	(188)	(203)	(275)
Net assets	738	7,810	846
Equity			
Share capital	4 1,857	1,586	1,598
Share premium reserve	2,950	2,855	2,869
Unissued Share Capital	-	-	185
Foreign exchange reserve	84	64	60
Other reserves	20	5,730	-
Share-based payments	80	75	80
Accumulated loss	(4,253)	(2,500)	(3,946)
	738	7,810	846

GROUP CASH FLOW STATEMENT

FOR THE INTERIM PERIOD ENDED 31 DECEMBER 2008

	Six months ended 31 December 2008 (Unaudited) £ 000's	Six months ended 31 December 2007 (Unaudited) £ 000's	Year ended 30 June 2008 (Audited) £ 000's
OPERATING ACTIVITIES			
Loss after tax for the period	(309)	(1,055)	(2,511)
Adjustments for:			
Depreciation	-	9	172
Amortisation	-	121	246
Loss on disposal of assets	-	-	(5)
Share-based payments	-	15	46
Increase in Provisions	-	-	2
Decrease/(Increase) in receivables	(5)	(13)	210
Decrease/(Increase) in inventories	(48)	(121)	-
(Decrease)/Increase in payables	(87)	(157)	(87)
CASH USED IN OPERATING ACTIVITIES	(449)	(1,201)	(1,927)
Income tax paid	-	(12)	(12)
NET CASH USED IN OPERATING ACTIVITIES	(449)	(1,213)	(1,939)
INVESTING ACTIVITIES			
Interest received	2	32	42
Proceeds from disposal of assets	-	-	5
Purchase of patents	-	-	(44)
Purchase of plant and equipment	-	(78)	(112)
NET CASH USED IN INVESTING ACTIVITIES	2	(46)	(109)
FINANCING ACTIVITIES			
Proceeds on issuing of ordinary shares	175	43	43
Proceeds on share capital un-issued	-	-	185
NET CASH FROM FINANCING ACTIVITIES	175	43	228
NET DECREASE IN CASH AND CASH EQUIVALENTS	(272)	(1,216)	(1,820)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	272	2,122	2,122
Exchange loss on cash and cash equivalents	24	13	(30)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	24	919	272

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD ENDED 31 DECEMBER 2008

Group	Unissued Share							Accumulated Losses £ 000's	Total £000's
	Share Capital £ 000's	Share Premium £ 000's	Share Capital £ 000's	Based Payments £ 000's	Foreign Exchange £ 000's	Other Reserves £ 000's			
Balance at 1 July	1,574	2,824	-	60	51	5,730	(1,477)	8,762	

2007								
Foreign translation differences	-	-	-	-	9	-	-	9
Loss for the period-	-	-	-	-	-	-	(2,469)	(2,469)
Total recognised income and expense for the period	-	-	-	-	9	-	(2,469)	(2,460)
Share issue	24	45	185	-	-	-	-	254
Cancelled share based payment	-	-	-	(7)	-	-	-	(7)
Share-based payments	-	-	-	27	-	-	-	27
Impairment charge-	-	-	-	-	-	(5,682)	-	(5,682)
Foreign translation differences	-	-	-	-	-	(48)	-	(48)
Balance at 30 June 2008	1,598	2,869	185	80	60	-	(3,946)	846
Foreign translation differences	-	-	-	-	24	-	-	24
Loss for the period-	-	-	-	-	-	-	(307)	(307)
Total recognised income and expense for the period	-	-	-	-	24	-	(307)	(283)
Share issue	259	112	(185)	-	-	-	-	186
Cost of share issue-	-	(11)	-	-	-	-	-	(11)
Warrants subscribed	-	(20)	-	-	-	20	-	-
Balance at 31 December 2008	1,857	2,950	-	80	84	20	(4,253)	738

NOTES TO THE INTERIM REPORT FOR THE PERIOD ENDED 31 DECEMBER 2008

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial information has been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union ("IFRS") and those parts of the Companies Act applicable to companies reporting under IFRS.

The financial information for the period ended 31 December 2008 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory accounts for the period ended 30 June 2008.

The financial information contained in this document does not constitute statutory accounts as defined by Section 240 of the Companies Act 1985 (England & Wales). In the opinion of the directors the financial information for this period fairly presents the financial position, result of operations and cash flows for this period.

This Interim Financial Report was approved by the Board of Directors on 30 March 2009.
Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34 - Interim Financial Reporting as adopted by the European Union. Accordingly the interim financial statements do not include all of the information or disclosures required in the annual financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Immersion Technologies International Plc and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All inter-company balances and transactions have been eliminated in full.

Foreign currencies

The functional currency of each entity is determined after consideration of the primary economic environment of the entity. The group's presentational currency is Sterling (£).

2 SEGMENT REPORTING

For management purposes the Group is organised into 4 operating divisions: Corporate; Product Research, Development and Design; Product Manufacture, and; Sales. These divisions are the basis on which the Group reports its primary segment information. Secondary segment information is presented on a geographic basis. The primary segment information corresponds closely to geographical segments as operational segments reside in

distinct locations of the United Kingdom, Australia and Asia.

Business segments	Corporate	Product R&D and Design	Product Manufacture	Sales	Unallocated	Total
Six months ended 31 December 2008 (Unaudited)	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Segment Revenue	-	9	-	15	-	24
Segment loss from operations	(142)	(123)	(32)	(12)	-	(309)
Interest receivable	2	-	-	-	-	2
Loss for the period before taxation						(307)

SEGMENT REPORTING
2(CONTINUED)

	Corporate	Product R&D and Design	Product Manufacture	Sales	Unallocated	Total
Year ended 30 June 2008 (Audited)	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Segment Revenue	6	45	-	18	-	69
Segment loss from operations	(1,178)	(796)	(192)	(345)	-	(2,511)
Interest receivable						42
Loss for the period before taxation						(2,469)

Six months ended 31 December 2007

(Unaudited)						
Segment Revenue	5	22	-	-	-27	
Segment loss from operations	(471)	(408)	(130)	(46)	(1,055)	
Interest receivable					32	
Loss for the period before taxation					(1,023)	

Geographical segments	United Kingdom	Australia	Asia	Unallocated	Total
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Six months ended 31 December 2008 (Unaudited)					
Segment Revenue	-	9	15	-	24
Segment loss from operations	(136)	(118)	(55)	-	(309)
Interest receivable	2	-	-	-	2
Loss for the period					(307)
Year ended 30 June 2008 (Audited)					
Segment Revenue	6	45	18	-	69
Segment loss from operations	(1,260)	(588)	(663)	-	(2,511)
Interest receivable					42
Loss for the period before taxation					(2,469)
Six months ended 31 December 2007 (Unaudited)					
Segment Revenue	5	22	-	-	27
Segment loss from operations	(597)	(282)	(176)	-	(1,055)

Interest receivable	31
Loss for the period before taxation	(1,024)

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LOSS PER ORDINARY SHARE

The calculation of earnings per share is based on the loss after taxation divided by the weighted average number of share in issue during the period:

	Six months ended 31 December 2008 (Unaudited)	Six months ended 31 December 2007 (Unaudited)	Year ended 30 June 2008 (Audited)
Net loss after taxation (£ 000's)	(307)	(1,023)	(2,469)
Weighted average number of ordinary shares used in calculating basic earnings per share (millions)	259.2	226.8	226.6
Basic loss per share (pence)	(0.12)	(0.45)	(1.08)

As the inclusion of the potential ordinary shares would result in a decrease in the loss per share they are considered to be antidilutive and, as such, a diluted loss per share is not included.

4SHARE CAPITAL ISSUED

The authorised share capital of the Company and the called up and fully paid amounts at 31 December 2008 were as follows:

Authorised	Number of shares	£'000
Ordinary shares of £0.007 each	1,000,000,000	7,000
	Number of shares	Nominal value £000's
Called up, allotted, issued and fully paid		
Balance at 1 July 2006	342,761,601	343
Consolidation of share capital	(293,795,658)	
12 April 2007 for cash at 10.25p per share	175,903,671	1,231
1 July 2007 for non-cash consideration	1,731,645	12
6 May 2008 for non-cash consideration at 1.54p per share	1,623,375	11
16 July 2008 for cash at 1p per share	18,500,000	130
14 August 2008 for cash at 1p per share	17,500,000	122
14 August 2008 for non-cash consideration at 1p per share	1,100,000	8
As at 31 December 2008	265,324,634	1,857

Total share options and warrants in issue

As at 31 December 2008 the options and warrants in issue were;

Exercise Price	Expiry Date	Options in Issue
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		31 December 2008
21p	19 May 2011	734,489
1.54p	30 April 2018	17,550,000
1.5p (1)	16 July 2013	9,250,000
1.5p (1)	14 August 2013	39,300,000
		36,834,489

(1): warrants issued in connections with shares issued during the period.

No options lapsed or were cancelled and no options were exercised during the period ended December 2008.

INVESTMENT IN GROUP 5 COMPANIES

Company name	Country of incorporation	Proportion of ownership interest
Immersion Technologies UK Limited	UK	100%
Immersion Technology Property Limited	UK	100%
Immersion Technology International Limited	UK	100%
Immersion Technologies (Singapore) Pte Limited	Singapore	100%
Immersion Technology (Nanjing) Co. Limited	China	100%
Immersion Technologies Australia Pty Limited	Australia	100%
Whise Acoustics Limited	Australia	100%
Whise Technologies Pty Limited	Australia	100%

6 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 6 February 2009 at the Annual General Meeting of the Company, a resolution to subdivide each existing issued and unissued ordinary shares of 0.7p each into one ordinary share of 0.01p each and one deferred share of 0.69p each was approved. The deferred shares have effectively no value and no share certificate in respect of these shares was issued. Share certificates for the existing ordinary shares remains valid. Accordingly, application was made for a total of 265,324,634 ordinary share of 0.01p each to be admitted to trading on AIM and such admission commenced trading on 12 February 2009.

7The financial information set out above does not constitute the Group's statutory accounts for the period ended 30 June 2008, but is derived from those accounts.

8A copy of this interim statement is available on the Company's website www.iti-plc.com