

14 October 2011

PhotonStar LED Group Plc

£1.35m raised to support expansion into next generation LED light engines

PhotonStar LED Group plc (AIM: PSL, "PhotonStar" or "the Group"), the British designer and manufacturer of smart LED lighting solutions, has raised approximately £1.35m through a placing and subscription with institutional and other shareholders. The net proceeds will be used to develop ChromaWhite, the next generation of LED light engines and provide further working capital to support PhotonStar's growth.

Highlights

- £1.35m raised
 - 10,775,134 new Ordinary Shares ("the Placing") through a placing by finnCap
 - Subscription of 474,999 new Ordinary Shares ("the Subscription").
- Drew Nelson, the Chairman, has subscribed for 250,000 shares in the Placing
- Funds being raised at 12p, a 20% premium to the price at which the Group raised money for its re-admission to AIM last December.

James Mckenzie, PhotonStar CEO, commented

"We have made considerable progress this year including acquiring Camtronics Vale, a specialist contract assembly company in May.

"We are very pleased to have secured the continued support of our shareholders at this time and will use the additional funds to support the development of ChromaWhite.

"Our ChromaWhite colour tuneable technology has won industry awards and we see a significant opportunity to exploit it, as standard light engines emerge through the work of the Zhaga consortium."

Details of the Placing, Subscription and directors' participation

The Group will raise approximately £1.35million (gross) pursuant to the Placing and Subscription through the issue of 11,250,133 new Ordinary Shares at the placing price of 12p ("the Placing Price"). The Placing and Subscription Shares will represent approximately 11.4% of the Company's issued Share Capital immediately following Admission.

Under the Placing Agreement, finnCap has conditionally agreed to place, with institutional and other investors, the Placing Shares at the Placing Price.

The Placing is conditional on Admission of the new Ordinary Shares to trading on AIM.

As part of the Placing, Dr Drew Nelson will subscribe for 250,000 Ordinary Shares at the Placing Price as shown below.

	Existing Ordinary Shares	Placing Shares	Total at Admission	% at Admission
Drew Nelson	1,444,274	250,000	1,694,274	1.7%

Admission and Settlement

Application has been made to the London Stock Exchange for 11,250,133 Ordinary Shares to be admitted to trading on AIM, comprising 10,775,134 Placing Shares, and 474,999 Subscription Shares. Admission is expected to take place at 8.00 a.m. on 21 October 2011.

On Admission, the total number of ordinary shares in issue will be 98,757,712. The total number of voting rights will therefore be 98,757,712. The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FSA's Disclosures and Transparency Rules.

Enquiries:

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About PhotonStar LED Group PLC

PhotonStar LED Group PLC ("PhotonStar" or the "Group") is a British designer and manufacturer of smart LED lighting solutions. The Group's proprietary technology seamlessly integrates LEDs, sensors and controls to provide intelligent lighting for commercial and architectural applications which benefit from greater CO2 reduction, lower cost of ownership & improved functionality compared to other available light sources. PhotonStar's lighting products have won numerous awards for performance, innovation and reliability, and are unique in the industry for the use of recycled, and recyclable materials, which means they have 90% less embodied CO2 than equivalent products providing the same levels of illumination.

PhotonStar comprises two divisions: LED Lighting Fixtures which works with lighting designers, architects, house builders, facilities management companies and sustainability consultants to provide intelligent, high-end LED lighting solutions for the commercial and architectural market, and LED Light Engines which provides LED lighting solutions for specialist applications such as film & television production lighting, UV curing and medical applications.

PhotonStar is based in Romsey, Hampshire with manufacturing in Wales. The Company was admitted to AIM in December 2010.