

30 January 2014

# PhotonStar LED Group Plc

## Full year trading update

PhotonStar LED Group plc (AIM: PSL, "PhotonStar" or "the Group"), the British designer and manufacturer of smart LED lighting solutions, announces a trading update for the year to 31 December 2013.

PhotonStar has had a strong second half which was both adjusted EBITDA\* positive and cash positive at the operating level. This represents a substantial improvement on the first half of 2013. As a result the Group enters 2014 on a much firmer platform, with the development of its new Halcyon home circadian lighting product range (retrofit lamp) nearing completion. Halcyon is due for full commercial launch in 2014.

Based on unaudited results, the Group's full year revenue increased by 8% to £9.4m (2012: £8.7m) with gross profit increasing by 6% to £3.6m (2012: £3.4m). Compared with the first half of 2013, Group revenue in the second half increased by 18% and gross profit increased 13%. Full year adjusted EBITDA has improved to a loss of £0.1m in 2013 (2012: loss of £0.3m) with net debt unchanged from the half year position (net debt at the half year and at the year-end of £0.3m against an overall potentially available facility of £1.3m).

PhotonStar has a substantial and growing IP portfolio, comprising a total of 15 patent families covering advanced LED chip design, optimal low cost packaging, advanced colour mixing and control. This portfolio now has at least one patent per family granted in at least one territory in the world. Additionally, new IP will be filed prior to the launch of Halcyon products.

The lighting market continues to transition towards LED lighting. Colour-tuneable and Circadian LED lighting is becoming a significant subsector, and the market in Europe alone is estimated to be worth €0.8 to €2.3bn per year by 2020\*\*. With its investment in new technology and manufacturing processes, PhotonStar is well positioned to take advantage of this fast-growing market.

The Group has had a significantly better second half to the year and has a stable platform from which to achieve further growth. The significant growth in the latter half of the year was achieved whilst remaining cash neutral and the Board remains comfortable that the Group has adequate working capital available to fund its future growth.

PhotonStar expects to release its full year results in March 2014.

\*Adjusted for share based payments and exceptional items

\*\*Lighting Europe 2013, 'Human Centric Lighting'

**James McKenzie**, CEO of PhotonStar, commented

***"We have made strong progress over the second half with improved operational structure and good cash management.***

***"We are now in a much better financial position to be able to build on the investment in our technology and have the cash flow to support our future growth. The second half was positive on an adjusted EBITDA basis, and we are confident that 2014 will see further growth and a continued improvement in our financial results."***

**For further information:**

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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.