

11 November 2014

# PhotonStar LED Group plc

## Further update on trading

PhotonStar LED Group plc (AIM: PSL, "PhotonStar" or "the Group"), the British designer and manufacturer of smart LED lighting solutions, provides further detail on trading for the year to 31 December 2014, following the Group's trading update published on 29 October 2014.

The Board expects that revenues for the year ended 31 December 2014 will be between £7.2 million to £7.6 million, as greater resource, investment and focus have been diverted to completing the Halcyon product ranges for launch later this month. Adjusted EBITDA\* is expected to show a loss of between £800,000 and £1.1 million for the year. The Board expects that at the end of the current financial year, cash at bank will be approximately £1.0m and the Group will have approximately £0.8m of invoice financing debt out of its total facility of £1.3m. Accordingly the Board believes that there is sufficient working capital for the foreseeable future.

As disclosed on 29 October 2014, sales of fixed white lighting products for the year will be lower than had been previously indicated, due to several large domestic and export lighting contracts being delayed into 2015. The light engines business has also experienced a slow-down in sales and pressure on margins. The Board has now decided to commit no further development resources to this area of the business and focus its efforts on expanding the Halcyon product range more rapidly. The Board believes that this strategy will offer a greater return on investment in 2015.

David McTurk has now been with the Group as interim Chief Operating Officer since 3 November 2014 and has taken on full operational management responsibility for the Group. He is applying his significant operational experience to the operations of PhotonStar, with clear goals and action plans in place to further reduce the costs of the Group whilst continuing the drive towards profitability.

PhotonStar remains heavily focused on expanding its Halcyon product range, which offers the potential to address a broad range of significant future business opportunities and markets. Halcyon is an "intelligent" circadian wireless lighting system with wireless lamps, fixtures and controllers that use behavioural, environmental and energy data from wireless sensors or Internet of Things (IoT) devices to intelligently deliver the right light at the right time, whilst gathering valuable data.

PhotonStar started shipping the HalcyonPro, the professional version of the Halcyon intelligent wireless lighting system, in October and formal launch of the Halcyon system will take place at Lux live on 19 November 2014.

**James McKenzie**, Chief Executive of PhotonStar, said:

***"Whilst we are disappointed to have experienced delays in several of our large contracts, with David now in post as interim COO, the senior management team is fully focused on further extending opportunities for the Halcyon product range."***

\*Adjusted for share based payments and exceptional items

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