

31 July 2012

PhotonStar LED Group Plc

Half year trading update and new trade finance facility

PhotonStar LED Group plc (AIM: PSL, "PhotonStar" or "the Group"), the British designer and manufacturer of smart LED lighting solutions, has published a trading update for the six months to 30 June 2012.

Group revenue increased by 50% to £3.82m (H1 2011: £2.54m) with gross profit moving up 62% to £1.51m (H1 2011: £0.93m). The Group continued to make good progress, albeit slightly below the Board's expectations and recently became EBITDA positive on a monthly basis.

The Board is confident that PhotonStar will continue to grow strongly in the second half of the year driven by the lighting market's transition to LED lighting. The Group expects the results for the year to be broadly breakeven on an EBITDA basis and sees 2013 as a year of significant growth.

The Group is pleased to report that it has completed a new trade finance facility of up to £1.3 million with HSBC to support PhotonStar's growing working capital requirements, which have been constrained in recent months.

A number of key milestones were achieved in the first half including the start of commercial production at the Romsey facility of the Group's industry leading ChromaWhite range of products and the commissioning of the PhotonStar's manufacturing facility for the LED fixtures business in Wales.

The ChromaWhite range is the first widely colour-tuneable light source, providing exceptional colour rendering. ChromaWhite is protected by a series of patents, a number of which have now been granted. The range was previewed at the ARC show in February, where the Tungsten+ version won the visitors' choice award at the event. It was formally launched at the main European show, Light and Building, in Frankfurt in April.

First shipments of the ChromaWhite range to key customers started in June. However, due to third party supply issues the board expects that PhotonStar's production volumes will be held back until the last quarter of this year. Whilst ChromaWhite revenues are still fairly modest, this will have some impact on the Group results.

The Group anticipates announcing its interim results for the six months to 30 June 2012 in mid-September.

James Mckenzie, CEO of PhotonStar, commented

"We have made great progress in the first half of the year opening two new facilities and bringing them on-line whilst maintaining a strong growth rate for our products. Our ChromaWhite colour tuneable technology won a major industry award in H1 2012."

"We see a significant market opportunities as the rate of LED lighting installation picks up globally. Overall we are looking forward with increasing confidence to further good progress as we move towards profitability."

For further information:

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Note to editors**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.

