

23 March 2015

# 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 2014.

The audit for the year to 31 December 2014 is well underway, with management accounts in line with the trading update of 11 November 2014. The Group's full year revenue for 2014 was £7.2m (2013: £9.4m) as previously announced, with gross profit of £2.7m (2013: £3.6m). As of 31 December 2014 the cash balance was approximately £1.1m and the Group had drawn down £0.7m of invoice financing debt out of its total maximum facility of £1.3m.

Additionally, during Q4 the Company reduced its cost base significantly with annual savings expected to be in the region of £0.5m. Sales for the first quarter of 2015 are broadly in line with management expectations, with the business expected to return to EBITDA profitability over the next six months as recently introduced products feed through to revenues.

David McTurk has been with the Group as interim Chief Operating Officer since November. He is applying his significant 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 behavioral, 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.

The Halcyon product launch in November 2014 at Lux Live was positively received by potential customers. A number of the first shipments have been installed as demonstration sites so that prospective customers will be able to see the Halcyon product operating in the initial target sectors of healthcare, hospitality and house builders. The first major projects resulting from this are expected to be installed from April 2015.

Halcyon has been cited for several awards including the Lux Awards, the Energy Awards in 2014, the Lighting Design Awards 2015 and most recently the Environment and Energy Awards 2015.

The addition of cloud connectivity to Halcyon in January will enable PhotonStar to support and collaborate with existing customers and develop new partnerships that management believe will revolutionise the business models for lighting and facilities management.

PhotonStar expects to release its full year results for FY 2014 before the end of May 2015.

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

***"Halcyon is now gaining traction and we are excited about the future potential for our suite of high quality products. We have reduced our costs to improve operational efficiency and look forward to progressing towards profitability."***

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**Note to editors****About PhotonStar LED Group PLC**

PhotonStar LED Group plc is a leading British designer and manufacturer of intelligent lighting solutions. The Group's proprietary technology Halcyon™ is a connected lighting platform that includes hardware and software for wireless, microprocessor controlled retrofit LED lighting and control systems, optimised for energy saving, circadian and data-centric applications.

As light is needed wherever there are people, the Halcyon platform can also provide a connected grid that will enable rich data collection, as well as an ecosystem to connect with other devices.

PhotonStar is based in Romsey, Hampshire with manufacturing in Wales.