

18 July 2013

PhotonStar LED Group Plc

Half Year Trading Update

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 2013.

Group revenue increased by 13% over the same period last year to £4.32m (H1 2012: £3.82m) with gross profit increasing by 12% to £1.69m (H1 2012: £1.51m).

As highlighted in the preliminary results of 28 May 2013, the Group experienced certain operational challenges in the first half of 2013, including those associated with the continued development and improvement of the industry leading ChromaWhite product in order to bring it to market; upgrades to the performance of its LED fixtures range; a change of CFO in April 2013, and the general low level of activity in the construction sector across Europe.

Despite these challenges the Group achieved further growth in H1 and is pleased to report that all the issues have now been resolved. As with prior years, the Board expects sales revenue to be weighted towards the second half of the year, driven by seasonal increases in construction activity in both domestic and particularly export markets. In the second quarter of this year, the Group introduced new, more efficient and competitive versions of its LED fixture products in wholesale, specification and export. Furthermore, the Board believes that ChromaWhite is now at the customer approval stage and anticipates that it will start to make a contribution to sales revenue towards the end of 2013.

The Board is therefore confident that PhotonStar will continue to grow in H2 driven by the lighting market's continuing transition to LED lighting. The Board expects significant growth in the second half and to be EBITDA breakeven in the year ending 31 December 2013. The Board remains satisfied that the Group has adequate working capital available to finance this anticipated growth.

The Group expects to announce its interim results for the six months to 30 June 2013 in mid-September.

James McKenzie, CEO of PhotonStar, commented

"We have made good progress this half, launching our new competitive and efficient light engines which have already been well received. Despite operational challenges, tough trading conditions in Europe and unfavourable exchange rates, we continue to see growth in the LED lighting market and our patent portfolio continues to mature, leading to further revenue opportunities."

"We remain on track with the continued development and improvement of the ChromaWhite range including the smart lamp, a standard lamp form factor with full wireless control, that we believe will revolutionise the lighting industry and drive the Group's growth"

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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.