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# PhotonStar LED Group plc

## Year end 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 ended 31 December 2012.

Revenue for the year was up 44% to £8.7m (2011: £6.1m), with gross profit up 62% to £3.4m (2011: £2.1 m). The Group ended the year with a strong balance sheet, with £2m of cash at 31 December 2012 against £0.7m in 2011. The Group also has borrowing facilities of £1.3m, which are only 60% drawn, providing head- room for further growth.

On the basis of unaudited figures, EBITDA for the year, before share based payments, is expected to show a loss of approximately £0.4m. This is due to non-recurring adjustments (totalling £0.2m), and delays in receiving orders for certain projects, which then fell outside the year-end delivery window.

**James Mckenzie**, CEO of PhotonStar, commented:

***"2012 has been a year of platform building, laying the foundations for future business growth. As LED chip efficiencies rise and prices fall, good quality LED products are becoming more affordable. We expect these dynamics to accelerate adoption rates."***

***"We see 2013 as a year when our ChromaWhite products will become a larger part of our business. We expect to launch our next generation wireless ChromaWhite lamps suitable for the retrofit market, towards the end of the year."***

***"We look forward to reporting further substantial growth as the year progresses."***

PhotonStar achieved several major milestones early in 2012, including completion of two new production facilities for the production of LED luminaires and Chip on Board LED packaging for the production of LED light engines. These have underpinned the Group's ability to deliver on its growth strategy.

The LED Fixtures business has scaled up well this year and continues to show strong growth. In March 2012, Photonstar signed a strategic five year partnership agreement with Lightitude FZC, the specification lighting division of the Debbas Group (a multinational technology & services conglomerate), based in the Middle East. The partnership will see Lightitude represent PhotonStar's LED lighting fixtures across 19 countries in the Middle East and North Africa.

In September 2012 the Group announced a rolling one year exclusive supply agreement with a major UK house builder, to supply LED lighting fixtures for all of the developer's new homes. In the last year, the house builder completed 1,500 homes, and is forecasting continued growth.

The Group raised £1.48m in December 2012 to further develop products based on its ChromaWhite technology. ChromaWhite is the Group's next generation light engine product, which allows microprocessor controlled colour tuning and superior light quality, at an extremely competitive price-point.

In October 2012, Photonstar provided a demonstration of LED lighting with embedded microprocessors at the ARM TechCon in Santa Clara, California. PhotonStar's ChromaWhite colour tuneable LED technology is one of the first lighting solutions that features an embedded ARM microprocessor. A prototype low energy Bluetooth-enabled version of ChromaWhite was featured on

ARM's stand to highlight the future market opportunities for embedded processors in smart lighting.

Sampling of the ChromaWhite range to key customers started in June 2012. The production ramp was initially frustrated by third party supply issues, but shipments are now expected to increase progressively through 2013.

PhotonStar has a substantial IP platform, comprising a total of 15 patent families covering advanced LED chip design, optimal low cost packaging, advanced colour mixing and control. In December 2012, the Group signed its first licensing agreement for its next generation LED chip design patents and an associated design services supply agreement, with a leading LED chip manufacturer.

PhotonStar expects to release its full year results in March 2013.

**For further information:**

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**Note to editors**

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.