

1 June 2015

Starcom Systems Plc
("Starcom" or the "Company")

Placing, Directors' Dealings and Appointment of New CFO

Starcom (AIM: STAR), which specialises in the development of wireless solutions for the remote tracking, monitoring and protection of a variety of assets and people, is pleased to announce that the Company has conditionally raised £475,000 before expenses through the placing of 11,875,000 new Ordinary Shares of no par value (the "Placing Shares") at a price of 4p per Placing Share (the "Placing") with existing institutional investors. The Placing Shares were placed by the Company's broker, Northland Capital Partners Limited.

The proceeds of the Placing will be used in the main to provide additional working capital and address the short term cash strain on finances identified in the Chairman's statement accompanying the recent year-end financial statements.

The issue of the Placing Shares is conditional, inter alia, on Admission. Application has been made for admission of the Placing Shares to trading on AIM ("Admission"). Admission is expected to occur at 8.00 am on or around 4 June 2015. On Admission, the Placing Shares will rank pari passu with the Company's existing Ordinary Shares.

Directors' Dealings

As part of the Placing, directors Avi Hartmann, Eitan Yanuv and Michael Rosenberg, CEO, CFO and Chairman of the Company have subscribed for 250,000, 225,000 and 150,000 Placing Shares respectively.

In addition, Uri Hartman and Doron Kedem, co-founders of the Company and CTO and COO respectively of the operating subsidiaries, have subscribed for 250,000 Placing Shares each.

Following the issue of the Placing Shares and their Admission to trading on AIM, the above Directors and co-founders will have the following interests in the Ordinary Shares of the Company:

	Ordinary Shares	% of voting rights
Avi Hartmann	19,366,668	20.1
Eitan Yanuv	225,000	0.2
Michael Rosenberg*	195,000	0.2
Uri Hartman	19,366,667	20.1
Doron Kedem	19,366,667	20.1

* Mr Rosenberg's shares are held through his personal pension plan of which he is the sole beneficiary.

The participation of the above Directors and co-founders (the "Related Parties") is a related party transaction under the AIM Rules for Companies. Martin Bloom, the independent Director, having consulted with the Company's nominated adviser, considers that the terms of the Related Parties' participation in the Placing are fair and reasonable so far as the shareholders of the Company are concerned.

Appointment of new CFO

Mr Eitan Yanuv, who has been the Finance Director of the Company since its IPO in 2013, has decided to step down from the board with effect from 15 June 2015 in order to concentrate on his other business interests. Mr Yanuv has played an integral part in helping the Company to progress as an AIM listed company and the board wishes to thank him for his involvement and wish him well in the future. It should be noted that Mr Yanuv has participated as an investor in the Placing notwithstanding his forthcoming departure.

Starcom is pleased to announce that Mr Ron Alroy has been appointed as Chief Financial Officer with effect from 15 June 2015. Mr Alroy qualified as a Certified Public Accountant with KPMG Israel and has held key positions in several Israeli businesses such as Spot Financial Research Limited and Aurec Capital Ltd. He is currently Senior Lecturer at the College of Management Academic Studies, an adjunct Senior at the Technion and Head Instructor at the Israel Ministry of Finance. Mr Alroy is also Chairman of the Institute of Certified Public Accountants in Israel Committee for the enhancement of government accounting in Israel. He will initially be appointed for two and a half days a week or longer should the Company need further assistance. He will not be appointed to the board of Starcom at this stage.

Total voting rights

Following Admission, the Company's enlarged issued share capital will comprise 96,308,333 Ordinary Shares. The Company does not hold any shares in treasury. Therefore, the total number of Ordinary Shares with voting rights will be 96,308,333. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Option issue

In connection with the Placing, the Company has granted Northland Capital Partners Limited options to subscribe for 430,000 new Ordinary Shares at 4p per share, exercisable at any time for a period of 5 years following Admission.

Avi Hartmann, CEO, commented: "We are pleased with the support shown from our existing shareholders. As previously reported the majority of our products are now fully developed and we expect to see increased revenues flowing in the second half of this year. The second generation Watchlock is due to be launched in the fourth quarter of 2015 and revenues from this new version will mainly be achieved during 2016.

"I would like to thank Eitan for all the support and guidance he has given the Company since we listed on AIM and wish him all the best for the future."

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For further information please contact:

Starcom plc	Northland Capital (Nomad)	Northland Capital (Broking)	Leander (Financial PR)
Michael Rosenberg Avi Hartmann Eitan Yanuv	Edward Hutton David Hignell	John Howes Abigail Wayne	Christian Taylor-Wilkinson
Tel: 07785 727595 +972 543070103 +972 36199901	Tel: 020 7382 1100	Tel: 020 7382 1100	Tel: 07795 168 157