

27 May 2014

Starcom PLC
("Starcom" or the "Company")

Contract Win and Trading Update

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 provide the following update ahead of its Annual General Meeting, to be held later today, including the signing of a new three year contract for a total of \$1.8 million.

New Contract

The Company's new customer, a Guatemalan distributor, is buying a significant number of units from across the whole range of Starcom's product portfolio, including the Helios TT, Watchlock and Triton, with \$400,000 expected to be received in respect of the order this year. The contract requires the customer to purchase 6,000 units from across the product range in year one, 5,600 in year two and 7,000 in year three. An initial purchase order for Helios TT and Helios Advance has been received for \$31,440, representing a total of 400 units. In the current financial year to 31 December 2014, the Company expects to ship 3,000 units in line with the agreement.

Trading Update

Trading in the first quarter of the year has been slow, partly due to the loss of revenues anticipated from the Ukraine, as announced on 21 March 2014, and also as the Company works to generate traction for new products being introduced into the market, such as Helios TT, Triton 2 and Kylos. These new product lines are being well received in the market and should lead to further revenues later in the year. In general, as stated previously, the Board anticipates revenues to be weighted to the second half of the year.

The Company is currently in preliminary negotiations for a number of new projects both in South America and the Middle East which, if successfully concluded, would generate good revenues for the second half of the current year and provide ongoing revenues during 2015 and beyond. The Directors hope to be able to report progress on these negotiations in the third quarter.

Avi Hartmann, CEO of Starcom, commented: "We are working very hard to convert our strong pipeline into sales and this new contract is the first since we lost our Ukrainian customer. The South American market is a key region for us, due to its large population and increasing reliance upon high quality security, monitoring and tracking systems. We hope to see further, similar contract wins throughout the remainder of the year."

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For further information please contact:

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