

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

Litigation

The Company announces that a suit has been filed by Top-Alpha Capital Ltd. ("**Top Alpha**") against Avi Hartmann (Chief Executive Officer), Doron Kedem (Chief Operating Officer) and Starcom PLC (the "**Company**") and its subsidiary companies (together with the Company, the "**Starcom Group**"). The claim concerns a purported requirement to use the services of Top Alpha in relation to a capital listing as described in paragraph 11.6 of Part VI of the Company's AIM admission document dated 19 February 2013.

The Company's Directors consider, having taken expert legal advice, that the suit is based on very weak foundations and contentions. There is no contractual agreement or arrangement between Top Alpha and Starcom PLC, and indeed Starcom PLC did not exist at the time that the facts and circumstances to which the allegations refer took place. In addition, there was a settlement agreement between the three named subsidiary companies in the Starcom Group, dated 28 June 2012, which terminated the rights of Top Alpha to which it now claims to be entitled. Furthermore, by virtue of an agreement dated 19 November 2012 between Top Alpha and Messrs. Hartmann and Kedem, in the very unlikely event that any liability or obligation arose in respect of any company within the Starcom Group, it would be a personal liability or obligation of Messrs. Hartmann and Kedem and not of the Starcom Group. In money terms, the claim is for approximately £715,000 (at current exchange rates), but this is unlikely to impact the Company in any way because (i) the Company has received expert legal advice there is very little likelihood that the Company or any member of the Starcom Group would be exposed to any liability or obligation, for the reasons set out above, and (ii) Messrs. Hartmann and Kedem have confirmed that should any liability or obligation fall upon members of the Starcom Group, they will discharge it personally.

The Company, the Directors and all members of the Starcom Group intend to defend their position vigorously and are confident that there is every basis for them to succeed.

Further announcements will be made in due course.

For further information please contact:

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