

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

Major Supply Agreement

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 it has entered into a supply and support agreement with Pinnacle Systems Limited ("Pinnacle"), a company based in Nairobi, Kenya, for the supply of Helios units. Pinnacle is a market leader in road safety, fleet management and vehicle security systems in the Eastern and Central Africa regions, specialising in assisting companies to reduce their fleet-related operating costs. Pinnacle is also one of the largest suppliers of truck speed monitoring systems in Kenya, where such systems are required by law.

Under the agreement, Pinnacle has committed to purchase many thousands of Helios units over a three year period and, in addition, will be responsible for monthly recurring fees for the use of Starcom's software service. The value of the contract over the three year period (including service fees) based on the quantities specified in the contract is US\$5.5m.

Avi Hartmann, CEO of Starcom, commented, "This is our largest contract to date and we are delighted to be working with Pinnacle Systems on this major supply and support agreement. We are working hard to win and fulfil similar large high value contracts currently under discussion."

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