

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

**Placing and Directors' Dealings**

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 £450,000 before expenses through the placing of 30,000,000 new Ordinary Shares of no par value (the "Placing Shares") at a price of 1.5 pence per Placing Share (the "Placing") with new and existing institutional investors, founding shareholders and Directors of the Company. The Placing Shares were placed by the Company's brokers, Northland Capital Partners Limited and Peterhouse Corporate Finance Limited.

The proceeds of the Placing will be used to fund marketing activities for the Company's product range, in particular the new version of the Watchlock which is now fully developed ahead of its proposed launch next month, and the Tetis range of products for containers. The Placing will also provide the Company with additional working capital.

The Placing Shares will be executed in two tranches of £285,025 and £164,975 respectively. The Company will shortly issue 19,001,666 Placing Shares to cover the first tranche ("Tranche One Shares") of the Placing and, at the Company's forthcoming Annual General Meeting ("AGM"), the Company will seek shareholder approval to give the Directors the necessary authorities to issue the remaining 10,998,334 Placing Shares ("Tranche Two Shares"). The Tranche Two Shares relate to the subscriptions made by the Company's directors and the founding shareholders as set out below. Details of the Company's AGM, which is to be held in April 2016, will be announced separately in due course.

The issue of the Placing Shares is conditional, inter alia, on admission to trading on AIM ("Admission"). Application has been made for the Admission of the Tranche One Shares and it is expected to occur at 8.00 am on 31 March 2016. On Admission, the Tranche One Shares will rank *pari passu* with the Company's existing Ordinary Shares.

Following the Admission of the Tranche One Shares, Miton Group Plc's holding in the Company will increase to 16,926,666 Ordinary Shares which represents 12.5 per cent. of the Company's issued share capital as enlarged by the Placing.

**Directors' Dealings and Related Party Transaction**

As part of the Placing, directors Avi Hartmann, Avi Engel and Michael Rosenberg, CEO, Non-Executive Director and Chairman of the Company have subscribed for 3,100,000, 498,334 and 1,200,000 Placing Shares respectively.

In addition, Uri Hartman and Doron Kedem, co-founders of the Company, substantial shareholders and CTO and COO respectively of the operating subsidiaries, have subscribed for 3,100,000 Placing Shares each.

The participation of the above Directors and co-founders (the "Related Parties") constitutes a related party transaction in accordance with AIM Rule 13. The Company's Nominated Adviser, Northland Capital Partners, considers that the terms of the Related Parties participation in the Placing are fair and reasonable insofar as the Company's shareholders are concerned.

The Related Parties participation in the Placing will be subject to shareholder approval at the forthcoming AGM. Application for the Tranche Two Shares will then be made as soon as practicable following the AGM.

Following the issue of the Placing Shares and their Admission, 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	20,711,168	15.2%
Avi Engel	498,334	0.4%
Michael Rosenberg*	1,395,000	1.0%
Uri Hartman	22,111,166	16.3%
Doron Kedem	22,111,166	16.3%

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

### Total voting rights

Following Admission of the Placing Shares, the Company's enlarged issued share capital will comprise 135,830,680 Ordinary Shares. The Company does not hold any shares in treasury. Therefore, the total number of Ordinary Shares with voting rights will be 135,830,680. 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.

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For further information, please contact:

#### Starcom Plc

Michael Rosenberg, Chairman  
Avi Hartmann, CEO

07785 727 595  
+972 5430 70103  
+972 3619 9901

#### Northland Capital (Nomad and Broker)

Edward Hutton / David Hignell (Corporate Finance)  
John Howes / Abigail Wayne (Sales and Broking)

020 3861 6625

#### Peterhouse Corporate Finance (Joint Broker)

Lucy Williams / Charles Goodfellow / Eran Zucker

020 7469 0930

#### Leander PR (Financial PR)

Christian Taylor-Wilkinson

020 7520 9267  
07795 168 157