

21 October 2016

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

Placing

Starcom (AIM: STAR), the AIM technology company specialising 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 £300,000 with new and existing shareholders, before expenses, through a placing of 12,000,000 new Ordinary Shares of no par value (the "Placing Shares") at a price of 2.5p per Placing Share (the "Placing"). The Placing Shares were placed by the Company's brokers, Northland Capital Partners Limited and Peterhouse Corporate Finance Limited.

Reasons for the Placing

The proceeds of the Placing will be used to provide the Company with additional working capital. At the time of the publication of the interim results for the period to 30th June 2016 in early September, the Board stated that it was satisfied that cash resources were sufficient for the present needs of the Company. This was on the basis of certain assumptions regarding account settlement by specific distributors. The Company has since received formal confirmation of the timing of the receipt of these payments, which will now be made in early 2017 rather than in the last quarter of 2016 as originally planned. The proceeds of the Placing will provide additional working capital for the Company in the interim period.

In addition, a loan facility of approximately US\$100,000 that had been under negotiation from an industry export association in Israel was unexpectedly withdrawn without reason.

The enhanced certainty and transparency of the Company's near-term revenues enables the Board to be increasingly confident that Starcom will at least meet the expectations, outlined at the time of the interim results, for improvement in revenues for 2016.

The Placing

The issue of the Placing Shares is conditional, inter alia, on admission to trading on AIM ("Admission") which is expected to occur at 8.00 am on 27 October 2016. On Admission, the Placing Shares will rank *pari passu* with the Company's existing Ordinary Shares.

Following Admission, the 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	14.0
Avi Engel	498,334	0.3
Michael Rosenberg*	1,395,000	0.9
Uri Hartman	22,111,166	15.0
Doron Kedem	22,111,166	15.0

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

Total voting rights

Following Admission, the Company's enlarged issued share capital will comprise 147,830,680 Ordinary Shares. The Company does not hold any shares in treasury. Therefore, the total number of Ordinary Shares with voting rights will be 147,830,680. 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 Guidance and Transparency Rules.

The Market Abuse Regulation (MAR) became effective from 3 July 2016. Market soundings, as defined in MAR, were

taken in respect of the Placing with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this announcement and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the Company and its securities.

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For further information, please contact:

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Northland Capital Partners Limited

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