

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

New Strategic Kylos Forever Agreement

Starcom (AIM: STAR), which specialises in the development of wireless solutions for the remote tracking, monitoring and protection of a variety of assets, is pleased to announce that it has entered into a three year supply and support agreement with Xplosive Solutions SA to sell Kylos Forever units for the protection and tracking of livestock in South Africa and Australia.

The initial order is for 1,500 units, which may be increased under the agreement to 15,000 units per year. The total order value if the agreement is fully implemented would be approximately US\$3.5m over three years. In addition to revenue from sales of units, Starcom will also provide its online tracking software system, generating SAS (Software-as-a-Service) revenues of an average of US\$1 per month per unit connected. It is expected that SAS revenues over the three years will be approximately US\$0.8m if the agreement is fully implemented and all units connected, making a total contract value of US\$4.3m over three years.

Xplosive Solutions is a South African company which, amongst other things, provides perimeter security solutions, including CCTV, to farmers in South Africa and Australia. Starcom has been working with the company for several months to integrate its Kylos Forever tracking system onto a dedicated cattle collar designed by Xplosive.

Farmers in South Africa and Australia face different problems:

- South Africa - the main concern is cattle theft, which is significant. Although many farmers use CCTV and perimeter notifications, in most cases they arrive too late to prevent cattle from being taken. Kylos will assist farmers in tracking and retrieving the stolen cattle.
- Australia - the main concern is cattle location. Many cattle farmers farm their herds across vast tracts of open farm lands. In some cases, they can spend days rounding up the herd. Kylos will assist farmers in expediting this process.

Xplosive Solutions has advised Starcom that all three cattle farmer associations in South Africa have now tested the Kylos solution and have approved them for the roles set out above.

Xplosive Solutions has also advised Starcom that it has signed an agreement with Vodacom SA, the market leading mobile phone company in South Africa, to distribute the product through its reseller channels in South Africa and Australia.

Avi Hartmann, CEO of Starcom, commented, "The Board is excited by this new agreement which should lead to further opportunities in the protection of livestock in many parts of the world and once again demonstrates the way in which the technology developed for our various products can be adapted to suit many needs."

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This announcement contains inside information.

For further information, please contact:

Starcom Plc

Michael Rosenberg, Chairman
Avi Hartmann, CEO

07785 727 595
+972 5430 70103
+972 3619 9901

Northland Capital Partners Limited (Nominated Adviser and Broker)
Edward Hutton / David Hignell (Corporate Finance)
John Howes (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 15