

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

Update on expected results for 2017

In the Company's trading update announcement of 18 January 2018, the Board set out its expectations for the results for the year ended 31 December 2017 which were subject to audit. Although the audit process is not yet completed, it has become clear that the final results for 2017 will differ materially from those previously anticipated in that announcement.

Although the Board still expects that, compared with the results for the previous year, the results for 2017 will show a considerable improvement in revenues and gross margins and a significant reduction in consolidated net loss after taxation, the Company is now likely to report a consolidated net loss after taxation materially higher than the breakeven to small loss previously indicated. The major variances relate to share-based payment costs, unrealised exchange differences and certain holding company costs.

Full details of the variances from the results anticipated will be given in the audited financial statements which are expected to be published during the week beginning Monday 5 March 2018.

As previously stated, the Company is experiencing one of its highest levels of orders for delivery in the first half of the year. This reflects increased orders for the higher margin Tetis, Kylos, Kylos Air and Watchlock products.

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This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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