



5 August 2014

ProPhotonix Limited
("ProPhotonix" or "the Company")

ProPhotonix Share Dealing

600 Group PLC acquires 26.3% stake in ProPhotonix from existing shareholders at an implied price of 5.0 pence (\$0.08) per share

ProPhotonix Limited (London Stock Exchange - AIM: PPIX and PPIR, OTC: STKR), a designer and manufacturer of LED illumination systems and laser diode modules with operations in Ireland and the United Kingdom, notes that 600 Group PLC (the "600 Group") has announced that it has acquired 22,042,143 shares of common stock of ProPhotonix from existing shareholders, representing 26.3% of the outstanding shares of ProPhotonix, for consideration to be satisfied by the issue of 4,925,621 ordinary shares of the 600 Group. Based on the closing price per 600 Group share of 22.375 pence on 1 August 2014, being the last business day prior to the date of the announcement by 600 Group, this acquisition represents a price of 5.0 pence (\$0.08) per PPIX share, which would indicate a premium of approximately 120% to the closing price of PPIX shares (2.275 pence) on 1 August 2014. ProPhotonix, incorporated in the State of Delaware, United States of America, is not subject to the UK City Code on Takeovers and Mergers ("City Code"), as disclosed in the Company's Admission Document dated 20 December 2010.

Tim Losik, President and CEO, stated "The Board is pleased to see this level of interest in the Company's equity at what represents a substantial premium to market price. The Company has taken significant steps to reduce costs over the past 16 months, while increasing revenue, with considerable progress achieved towards positive EBITDA and cash flow. The Directors of ProPhotonix look forward to a positive and constructive collaboration with the 600 Group, which is expected to become the Company's largest shareholder on 8 August 2014."

Enquiries:

ProPhotonix Limited

ir@prophotonix.com

Tim Losik, President and CEO

Tel: +1 603 870 8220

N+1 Singer

Tel: +44 (0) 207 496 3000

Andrew Craig/ Ben Wright

Nominated Adviser and Broker

About ProPhotonix

ProPhotonix Limited, headquartered in Salem, New Hampshire, is an independent designer and manufacturer of diode-based laser modules and LED systems for industry leading OEMs and medical equipment companies. In addition, the Company distributes premium diodes for Oclaro, Osram, QSI, Panasonic, and Sony. The Company serves a wide range of markets including the machine vision, industrial inspection, security, and medical markets. ProPhotonix has offices and subsidiaries in the U.S., Ireland, U.K., and Europe. For more information about ProPhotonix and its innovative products, visit the Company's web site at www.prophotonix.com