

**News Release 05-10****Photon Control Reports Strong Sales and Earnings in Q2 2010**

Burnaby, B.C., August 18, 2010 ~ Photon Control Inc. (“Photon Control”) (TSX-V: **PHO**), a leading developer of photonic sensors, released its unaudited financial results for the second quarter (Q2) of 2010, ending June 30, 2010.

Sales revenue continued a strong growth surge that has enabled Photon Control to achieve record sales and record earnings during Q2 of 2010. Product sales in Q2 2010 were \$3.9 million compared to \$0.7 million in Q2 2009, an increase of \$3.2 million. Photon Control was able to achieve its fourth consecutive profitable quarter in Q2 2010 with \$1,009,656 in earnings compared to a loss of \$191,064 in Q2 2009. These results were mainly attributed to an improved economic environment including the rebound in the semiconductor market, supported by a steady flow of non-semiconductor order activity, and in combination with Photon Control’s established cost management and operational efficiency programs.

In the six months ended June 30, 2010, sales revenues continued the upward trend, contributing to Photon Control’s strong performance and continued profitability in the first half of the year. Sales from Q1 and Q2 2010 combined totalled \$7.5 million compared to \$1.3 million for the six months ended June 30, 2009, have surpassed sales volumes for all of 2009 and are greater than any previous annual sales figures reported by Photon Control.

The second quarter of 2010 continued to report a strong order backlog. At June 30, 2010 the Photon Control’s order backlog stood at \$2.2 million, an increase of \$1.4 million over Q2 2009. This represents the total value of committed sales orders fulfilled and/or waiting to be fulfilled in the third and fourth quarters of 2010.

Photon’s financial results and MD&A are available at [www.sedar.com](http://www.sedar.com) and will be posted on Photon’s website.

*Forward-Looking Statements: This news release contains forward looking statements, including statements regarding the business and anticipated financial performance of the Company, which involve risks and uncertainties. These risks and uncertainties may cause the Company’s actual results to differ materially from those contemplated by the forward-looking statements. Factors that might cause or contribute to such differences include, among others, competitive pressures, competing technologies and the market acceptance of the Company’s photonic-based products as a replacement to existing technologies and products. Readers are encouraged to consider the other risks and uncertainties discussed in and additional information contained in the Company’s required financial statements and filings filed on SEDAR at [www.sedar.com](http://www.sedar.com).*

**About Photon Control Inc.** [www.photon-control.com](http://www.photon-control.com)

Photon Control Inc. commercializes and manufactures opto-electronic products for measurement and control. All Photon Control’s products have competitive advantages in both performance and cost. Markets for Photon Control’s products include semiconductor capital equipment, oil and gas, power industry, life sciences and research.

**Company Contact:** Helena Rebec, Acting Investor Relations Manager  
604.422.8861 x 101  
[hrebec@photon-control.com](mailto:hrebec@photon-control.com)

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