

## Photon Control Reports Second Quarter 2011 Financial Results

Burnaby, B.C., August 24, 2011 ~ Photon Control Inc. ("Photon Control") (TSX-V: **PHO**), a leading developer of optical sensors and measurement instruments, released its unaudited financial results for the second quarter ended June 30, 2011.

During Q2 2011, Photon Control achieved solid sales and profit results for the quarter. Q2 2011 sales were \$3.5 million compared to \$3.8 million in Q2 2010, a decrease of \$0.3 million or approximately 8%. However, compared to the previous quarter Q1 2011, the Company showed an increase in sales of \$0.2 million or approximately 6%. The profit for Q2 2011 was \$377,189 representing a decrease of approximately 63% compared to Q2 2010 profit of \$1,009,655. Although volume of orders, revenues and resource utilization have continued to be strong, the Company's profitability in Q2 2011 has been notably impacted by: increase in services and legal fees related to three lawsuits (two of the lawsuits were settled in May 2011; subsequently in Q3 2011, the Supreme Court of British Columbia released a decision in the litigation involving the Company and the former President), and negative impact on revenue of the lower U.S. dollar in 2011 versus 2010.

Photon Control's sales to the semiconductor sector remained solid, contributing significantly to the second quarter 2011 results. Also, the Company anticipates seeing positive results from non-semiconductor customer trials, which were underway during the second quarter and subsequently in the third quarter of 2011, and remains encouraged by the expansion of its distributor network. Photon Control continued expanding its marketing and sales efforts in Asia and, in light of this objective, has signed four non-exclusive distributorship agreements for spectrometers and temperature sensors during the first half of 2011. In addition, Photon Control actively participated in international tradeshows and industry events attending Sensor + Test 2011 in Nurnberg, Germany and MIOGE 2011 in Moscow, Russia in June 2011.

The second quarter of 2011 continued to report a strong order backlog. At June 30, 2011 Photon Control's backlog stood at \$2 million. This represents the value of sales orders already fulfilled or waiting to be fulfilled in Q3 2011.

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



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

Photon Control Inc. designs and manufactures a wide range of optical sensors & instruments to measure temperature, pressure, position, and flow. These products are used by original equipment manufacturers (OEM) as well as end-users in the Semiconductor, Oil and Gas, Power, Life Science, and Manufacturing industries. Photon Control's products provide high accuracy and reliability in extreme conditions and are supported by a team of experts that offer onsite installation, training, and support. Photon Control Inc. also provides engineering services for customized optical measurement systems. Headquartered in an ISO 9001:2008 manufacturing facility in Burnaby, BC, Photon Control Inc. is listed on the TSX Venture Exchange, trading under the symbol "PHO". Additional information about the company can be found at [www.photon-control.com/investorrelations](http://www.photon-control.com/investorrelations).

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