

Photon Control Reports Second Quarter 2012 Financial Results

Burnaby, B.C., August 29, 2012 ~ Photon Control Inc. (“Photon Control” and the “Company”) (TSX-V: **PHO**), a leading developer of innovative measurement technologies, released its unaudited financial results for the second quarter ended June 30, 2012.

During the second quarter of 2012, Photon Control achieved solid sales and profit results for the quarter. Q2 2012 product sales were \$2.8 million, representing a decrease of approximately 20% compared to \$3.5 million during the same period last year, primarily due to a slowdown in the semiconductor sector. However, the Company’s net profit for both the three and six months ended June 30, 2012 reported an increase when compared to the same periods in 2011. The net profit for Q2 2012 and for the six months ended June 30, 2012 was \$622,853 and \$1,214,280 respectively, compared to the net profit of \$455,664 and \$832,855 for the same periods in 2011. The achieved results in the second quarter of 2012 were driven in particular by the solid sales volumes, reduced operating and research & development expenses, lower legal fees, and foreign exchange gain.

During the first six months of 2012, Photon Control continued to identify and evaluate opportunities to enhance its operational results and to diversify its product range, and has sought to open new market opportunities and revenue streams. In Q2 2012, the Company has expanded the sales and marketing department and has signed on two new Distributors in the Asia Market for Optical Flow Meters in Malaysia, and for Optical Sensors and Spectroscopy for the Semiconductor industry in Korea. Subsequently, during Q3 2012, Photon Control participated in the Semicon West trade exhibition in San Francisco, California. The Company presented its Spectrometer and Optical Sensor product lines, unveiled the new FluoTemp GT-HT temperature converter, as well as promoted its OEM manufacturing capabilities. In September 2012, Photon Control will be participating in the World Heavy Oil Congress in Aberdeen, Scotland and will be presenting the Focus® Optical Flow Meter and Downhole Pressure and Temperature Sensor.

The second quarter of 2012 continued to report a strong sales order backlog. At June 30, 2012 Photon Control’s sales order backlog stood at \$1.5 million. This represents the value of sales orders already fulfilled in Q3 2012 and/or waiting to be fulfilled in 2012. As at the date of this report, Photon Control’s sales order backlog stood at \$1.3 million.

Photon Control’s financial results and MD&A are available at 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.



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About Photon Control Inc. www.photon-control.com

Photon Control Inc. designs and manufactures a wide range of optical sensors and 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 <http://www.photon-control.com/investorrelations.html>

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