

## Photon Control Reports Fourth Quarter and Year End 2011 Financial Results

Burnaby, B.C., March 29, 2012 ~ Photon Control Inc. (“Photon Control” and the “Company”) (TSX-V: **PHO**), a leading developer of optical measurement technologies, released its audited financial results for the fourth quarter and the fiscal year ended December 31, 2011.

In 2011, while navigating challenging economic conditions such as ongoing market and supply chain volatility, price sensitivity, and exchange rate fluctuation, Photon Control achieved its second highest annual sales level. Product sales in fiscal 2011 were \$11.5 million compared to \$13.3 million in 2010, a decrease of approximately 14%. During the first three quarters of 2011, Photon Control’s product sales were only 9% lower than the comparable period of 2010.

Product sales in Q4 2011 were \$2.0 million, representing a decrease of approximately 31% compared to \$2.9 million during the same period last year. The decrease in sales over the same period last year is mainly due to a slower pace of the semiconductor industry when compared with the previous quarters, and delivery rescheduling to 2012 due to additional product improvements carried out during the second half of 2011. This was partially offset by a solid level of sales to non-semiconductor sectors, which represented approximately 20% of the total products sales in Q4 2011.

The profit before taxes for 2011 was \$720,733 compared to 2010 profit of \$2,715,932. This was primarily attributed to a decrease in revenues of \$1,787,380 in 2011 plus an increase in a lawsuit claim estimate of \$539,501. This lawsuit claim estimate was recognized in the fourth quarter of 2011 when the Company recorded a loss of \$516,957 as compared to a profit of \$172,942 posted during the same period in 2010.

Although the revenues from the semiconductor industry have historically fluctuated from quarter to quarter, which is evident from the Company’s sales order backlog data, Photon Control recorded solid sales to this sector in fiscal 2011. Also, Photon Control continued initiatives to diversify its product range and sought to open new market opportunities and revenue streams. In line with these objectives, during 2011 Photon Control continued to record revenues in other non-semiconductor sectors which included the sale of analytical products, flare gas meters, and fiber optic temperature sensors.

In 2011, Photon Control signed 8 new distributorship agreements for Spectrometers, Optical Sensors, and Optical Flow Meters in the following markets: China, Indonesia, Thailand, Singapore, France, Spain, Portugal, UK, Switzerland, and Australia.

The fourth quarter of 2011 continued to report a strong sales order backlog. At December 31, 2011 Photon Control’s sales order backlog stood at \$1.8 million and, as at the date of this news release, at \$2.0 million. This represents the value of sales orders already fulfilled in Q1 2012 and/or waiting to be fulfilled in 2012.

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.



200 -8363 Lougheed Highway, Burnaby, BC, Canada V5A 1X3  
Tel: 604.422.8861 | Fax: 604.422.8418  
Email: [info@photon-control.com](mailto:info@photon-control.com) | Web: [www.photon-control.com](http://www.photon-control.com)

*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. 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>

**Company Contact:** Helena Rebec, Chief Administrative Officer  
604.422.8861 x 101  
[hrebec@photon-control.com](mailto:hrebec@photon-control.com)

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

News Release 02-12