

## Photon Control Reports Fourth Quarter and Year End 2013 Financial Results

- **Annual and Quarterly Sales Record of \$17.3 Million & \$6.1 Million**
- **Annual and Quarterly Net Earnings Record of \$4.6 Million and \$2.3 Million**

Burnaby, B.C., April 03, 2014 ~ Photon Control Inc. (“Photon Control” or 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, 2013.

“Photon Control achieved a very strong finish to a great year achieving new all-time highs in both sales and earnings,” said Christopher Weston, President of Photon Control. “We benefited from a robust semiconductor market along with the non-semiconductor sectors we serve which has also shown an improved contribution to the Company’s results. Photon Control’s 5-year continuous profitability has been achieved by our strong commitment to operational and financial management, customer satisfaction and market development, combined with the outstanding contribution and dedication of all employees. We will continue to grow and improve our company in order to address the challenges of volatile global economic and market conditions. Photon Control’s strong financial position has enabled us to repurchase 1,950,000 common shares to date.”

Product sales for the full fiscal year 2013 reached \$17.3 million, making the strongest year on record, and representing an increase of \$6.8 million or approximately 65% compared with \$10.5 million reported in 2012. Photon Control’s product sales for the three months ended December 31, 2013 reached a new record level for a quarter of \$6.1 million, representing an increase of \$3.9 million or approximately 177% compared with \$2.2 million during the same period last year.

Photon Control’s 2013 profit before taxes was \$4,595,050 representing a new record level and an increase of approximately 177% compared with a profit before taxes of \$1,659,815 reported in the fiscal year 2012. Profit before taxes for the three months ended December 31, 2013 was \$2,338,357 an increase of \$2,202,346 compared with \$136,011 during the same period in 2012.

The Company’s significant increase in product sales over the same period in the prior year is due to accelerated levels of activity in both the semiconductor market and non-semiconductor product sales and the Company’s enhanced operational efficiency. Geographically, the United States remained Photon Control’s strongest performing region, followed by Canada, China, Europe and Russia.

Photon Control continued to identify and evaluate opportunities to enhance its operational results and to diversify its product range. In 2013, as previously announced, the Company launched the new SpecSoft Pro for the Spectroscopy line of products. Photon Control’s SpecSoft Pro is feature-rich operating software, capable of communicating with all of Photon Control spectrometers through USB 2.0 Hi-speed connection, providing a real-time interface to a variety of visualization and signal processing functions. SpecSoft Pro has two operating modes: continuous or hardware-triggering mode. The software can calculate and log peak profile parameters including FWHM (Full Width at Half Maximum), Gaussian Center and Amplitude. Subsequently, as announced in January 2014, Photon Control unveiled the PalmSense<sup>2</sup> its next generation of portable, handheld fiber optic temperature measurement systems, enabling measurement in high RF environments or EMI applications in labs and field service. The PalmSense<sup>2</sup> is designed for applications where mobility is important, giving the freedom to move around critical sensing points. With the system’s 24 hour battery life, the PalmSense<sup>2</sup> provides flexibility to Research and Life Science applications as well as in EMI, RF, X-ray, microwave and harsh chemical environments.

As at December 31, 2013 Photon Control's sales order backlog stood at \$3.1 million and the Company remains encouraged by solid volume of orders in the current fiscal year 2014.

During Q3 and Q4 2013, Photon Control has purchased 1,100,000 common shares under the Normal Course Issuer Bid (the "NCIB"), all of which have been cancelled. Subsequently, during Q1 2014, the Company has purchased 850,000 common shares under the NCIB, which were cancelled on April 1, 2014.

#### **About Photon Control Inc.**

Photon Control Inc. designs, manufactures and distributes 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.html](http://www.photon-control.com/investorrelations.html)

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#### **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. Such statements include, but are not limited to, statements with respect to the Company's objectives, goals, liquidity, sources of capital, expectations of sales and continued development of technologies and products.*

*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, risks and uncertainties as to the following: the Company's ability to successfully complete new purchase orders along the timelines expected; the Company's need for funds to achieve its goals and the availability and cost of financing the Company; the continued and future demand for the Company's products; the Company's present reliance on four major customers for the majority of its sales; the Company's reliance on the financial health of the semiconductor industry; the Company's ability to continue and further enhance revenue diversification and open new market opportunities; the development of competing technologies and the possibility of increased competition; the effect of slow growth in the United States, its principal market, as well as in Canada and other economies generally and other economic trends and conditions in the markets that the Company and its customers serve; risks associated with technical difficulties or delays in product introductions, improvements, implementation, product pricing or other initiatives of the Company and its competitors; factors that may result in a reduction in capital expenditures and/or delayed buying decisions affecting demand for the Company's products; currency fluctuations particularly between the Canadian and United States dollars; and risks in pursuing additional development projects to support existing customers or pursue other business opportunities.*

*Forward-looking statements are based on the beliefs, opinions and expectations of the Company's management at the time they are made, and the Company may, but does not assume any obligation to, update its forward-looking statements if those beliefs, opinions or expectations, or other circumstances, should change except as may be required by applicable securities laws. Readers should not place undue reliance on forward-looking statements.*

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