



PRECISION OPTICS CORPORATION

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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***Precision Optics Corporation, Inc. Announces Operating Results for
the First Quarter Ended September 30, 2012***

GARDNER, MA, November 15, 2012 – Precision Optics Corporation, Inc. (OTCQB: PEYE) (the “Company”) announces operating results for the first quarter of fiscal year 2013 ended September 30, 2012.

Revenues for the quarter ended September 30, 2012, were \$563,398 compared to \$504,749 for the same period last year, representing an increase of 11.6%.

Net loss for the quarter ended September 30, 2012, was \$358,094, or \$.27 per fully-diluted share, compared to net income of \$1,998,441, or \$1.15 per fully-diluted share, for the quarter ended September 30, 2011. Net income in the quarter ended September 30, 2011 includes a non-recurring gain on the sale of patents of \$2,276,286, which when removed, leaves a pro forma net loss in the quarter ended September 30, 2011 of \$277,845. The increase in the net loss in the quarter ended September 30, 2012 over the pro forma net loss in the quarter ended September 30, 2011, as adjusted for the removal of the non-recurring gain, is primarily attributable to lower gross margins as a result of new product start-up manufacturing costs and higher research and development expenses.

Cash and cash equivalents were \$2,337,694 at September 30, 2012. As previously announced, in September 2012 the Company completed a private offering to accredited investors of units of common stock and common stock purchase warrants generating gross proceeds of approximately \$2.5 million, with net proceeds of approximately \$2.2 million available immediately for the Company’s general working capital needs.

The year-over-year increase in quarterly revenues resulted from increases in the Company’s ongoing sales of previously developed products, as well as a newly designed addition to the Company’s line of advanced surgical visualization products for use in spinal surgery. The Company is currently completing pre-production activities to enable shipments against previously announced orders for products incorporating Microprecision™ technology for very small endoscopes and micro medical cameras with diameters on the order of 1 millimeter and smaller. Operational efforts are also focused on sales and marketing strategies intended to broaden awareness of the benefits of the Company’s new technology platform, which the Company believes is ready for general application to medical device projects requiring surgery-grade visualization from sub-millimeter sized devices.

About Precision Optics Corporation

Precision Optics Corporation has been a leading developer and manufacturer of advanced optical instruments since 1982. The Company designs and produces next generation medical instruments, Microprecision™ micro-optics with characteristic dimensions less than 1 millimeter, and other advanced optical systems based on the Company’s proprietary optical technologies. The Company’s innovative medical instrumentation line includes state-of-the-art endoscopes and endocouplers as well as custom illumination and imaging products for use in

minimally invasive surgical procedures. The Company's website is www.poci.com. Investors can find Real-Time quotes and market information for the Company on www.otcmarkets.com/stock/PEYE/quote.

About Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements related to our future activities or future events or conditions. These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by our management. These statements are not guarantees of future performances and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those risks discussed in our annual report on Form 10-K and in other documents that we file from time to time with the SEC. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this report, except as required by law.