



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 of Fiscal Year 2014 ended September 30, 2013

GARDNER, MA November 18, 2013– On November 14, 2013, Precision Optics Corporation, Inc. (OTCQB: PEYE) (the “Company”) announced operating results on an unaudited basis for the first quarter of its fiscal year 2014, the quarter ended September 30, 2013.

Highlights include:

- Quarter-over-quarter sequential sales increase of 13.1%
- Quarterly year-over-year sales increase of 61.1%
- Reduced quarterly operating losses and cash used in operating activities

Commenting on the quarter, Joseph Forkey, Chief Executive Officer of Precision Optics, said, “With three consecutive quarters of improving financial performance, we are beginning to see the effects of deliveries of products that incorporate our new proprietary technologies. We continue to see increasing interest from existing and new customers in these types of products as the medical device marketplace recognizes the value of Precision Optics’ unique capability to build small, cost-effective, single-use cameras for applications in minimally invasive surgery.”

The following table summarizes the results for the quarters ended September 30, 2013 and 2012 (unaudited):

	Three Months Ended September 30,	
	2013	2012
Revenues	\$ 907,426	\$ 563,398
Gross Profit	260,234	129,473
Total Operating Expenses	470,955	486,317
Operating Loss	(210,721)	(356,844)
Net Loss	(210,721)	(358,094)
Loss Per Share:		
Basic	\$ (0.05)	\$ (0.27)
Diluted	\$ (0.05)	\$ (0.27)
Weighted Average Common Shares Outstanding:		
Basic	4,455,134	1,341,919
Diluted	4,455,134	1,341,919

Revenues for the quarter ended September 30, 2013 were \$907,426, representing an increase of 61.1% as compared to revenues of \$563,398 for the same period in the prior year, and representing a quarter-over-quarter sequential increase of 13.1% as compared to revenues of \$802,337 for the quarter ended June 30, 2013.

The increase in revenues for the quarter ended September 30, 2013 resulted from increases in the Company's ongoing sales of previously developed products, as well as sales of newly designed products, most of which are used for medical applications.

Operating loss for the quarter ended September 30, 2013 was \$210,721, representing an improvement of \$146,123, as compared to \$356,844 for the same period in the prior year.

The decrease in the operating loss in the quarter ended September 30, 2013 as compared to the same period in the prior year is primarily attributed to higher sales and gross profit and lower research and development expenses, partially offset by higher selling expenses.

Net loss for the quarter ended September 30, 2013 was \$210,721, as compared to a net loss of \$358,094 for the quarter ended September 30, 2012, representing an improvement of \$147,373.

Cash and cash equivalents were \$879,030 at September 30, 2013, as compared to cash and cash equivalents of \$1,034,587 at June 30, 2013. During the quarter ended September 30, 2013, the Company used cash in operating activities of \$147,033, an \$89,152 improvement from the cash used in operating activities of \$236,185 recorded for the quarter ended June 30, 2013.

About Precision Optics Corporation

Precision Optics Corporation has been a leading developer and manufacturer of advanced optical instruments since 1982. Using proprietary optical technologies, the Company designs and produces next generation medical instruments, MicroprecisionTM micro-optics with characteristic dimensions less than 1 millimeter, and other advanced optical systems for a broad range of customers including some of the largest world-wide medical device companies. 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 believes that current advances in its proprietary micro-optics and 3D imaging technologies present significant opportunities for expanding applications to numerous potential medical products and 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 the Company's intentions, beliefs, expectations, strategies, predictions or any other statements related to the Company's future activities or future events or conditions. These statements are based on current expectations, estimates and projections about the Company's business based, in part, on assumptions made by the Company's 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 the Company's 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 the Company does 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.