



17 May 2012

ProPhotonix Limited
("ProPhotonix" or "the Group")
AGM Statement

At the AGM held yesterday, Mark W. Blodgett, Chairman & CEO of ProPhotonix, made the following statement:

"The Group's trading performance since the beginning of the year builds on our leadership position within the high growth sectors of the LED and laser markets. We have continued to position ourselves to ensure that significant progress can be made through our combined expertise in these two key areas of optics in the industrial inspection, primarily machine vision, medical and security markets.

"The North American sales organisation is now fully staffed and management is focused on both adding additional sales personnel to service the European market and expanding Asian distribution. With the strengthened sales force, a nearly doubling of the R&D team in 2011 and new distribution partners in Asia, as well as re-establishing a strong presence in the US, the Group has a number of long-term revenue opportunities in the industrial market, which we are actively pursuing. Such opportunities include designing and manufacturing high value, high margin components for global equipment manufacturers and inspection systems for Fortune 1,000 companies.

"The Directors report that both product development and sales expansion initiatives, which were outlined at the time of the Company's July 2011 capital raising, are on track and we expect that these investments will result in long term growth in the various markets we serve.

"As reported in January and March, sales to the solar equipment industry remain weak and are now not expected to recover until sometime in 2013. Our current expectation is for \$7 million of revenue in the first half of 2012 and expectations are that revenue will be higher in the second half of 2012 based on our growing business pipeline from existing and new customers".

All resolutions put to shareholders were passed.

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About ProPhotonix

ProPhotonix Limited, headquartered in Salem, New Hampshire, is an independent designer and manufacturer of diode-based laser modules and LED systems for industry leading OEMs and medical equipment companies. In addition, the Company distributes premium diodes for Opnext, QSI, Ondax, Sanyo and Sony. The Company serves a wide range of markets including the machine vision, industrial inspection, defense, sensors, and medical markets. ProPhotonix has offices and subsidiaries in the U.S., Ireland, and Europe. For more information about ProPhotonix and its innovative products, visit the Company's web site at www.prophotonix.com.