

## **QPC Lasers Successfully Completes \$9.5 Million Financing**

**QPC Lasers, Inc. (OTCBB:QPCI)**, a world leader in the development and commercialization of high-brightness, high-power semiconductor lasers for the industrial, defense, and medical markets, today announced that it has successfully closed an additional round of private financing through the sale of \$10.6 million in principal amount of convertible debentures and warrants, the second of two rounds in this quarter.

"As we continue to execute our growth plan, we believe this financing will provide sufficient cash to support the increased manufacturing and inventory needs that coincide with the ramp in sales orders we have experienced, as well as support the launch of our generation three lasers due out later this year," said George Lintz, Executive Vice Chairman and CFO, QPC. "Inclusive of the financing we completed in April, we have raised a total of \$16.9 million in the second quarter, and are confident the company now has adequate cash to support our growth and operations for at least the next twelve months."

Gross proceeds from the sale of the debentures were \$9.5 million. The economic terms of the financing are identical to the first round completed in April 2007. The debentures have a term of two years, pay ten percent interest, and are convertible at \$1.05. The conversion price is subject to possible adjustment based on certain events. No principal payments are due on the debentures until they mature in April 2009. The Company also issued 15.1 million five-year common stock purchase warrants that are exercisable at \$1.05. The securities were privately placed with a mix of institutional and accredited investors. T.R. Winston & Company, LLC served as placement agent for the transaction.

Cash proceeds will be used for expanded marketing, operations, and general corporate purposes.

### **Forward-Looking Statements**

This release and other materials released by the Company from time to time contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, the Company's management as well as estimates and assumptions made by the Company's management. When used in the materials, the words "anticipate", "believe", "estimate", "expect", "future", "intend", "plan" or the negative of these terms, and similar expressions as they relate to the Company or the Company's management identify forward-looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties, assumptions, and other factors (including the risks contained in the sections of the Company's reports filed with the Securities and Exchange Commission entitled "Risk Factors") relating to the Company's industry, the Company's operations and results of operations, and any businesses that may be acquired by the Company. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results. The following discussion should be read in conjunction with the Company's reports filed with the Securities and Exchange Commission.

### **About QPC Lasers, Inc.**

QPC Lasers, Inc. ([www.QPCLasers.com](http://www.QPCLasers.com)) is a world leader in the development and commercialization of high-brightness, high-power semiconductor lasers for the defense, homeland security, industrial, and medical markets. Founded in the year 2000, QPC is vertically

integrated from epitaxy through packaging and performs all critical fabrication processes at its state-of-the-art, high-technology facility in the Los Angeles suburb of Sylmar, CA. QPC is a publicly traded U.S. company (OTCBB:QPCI) and is ISO certified.

**Contact QPC Lasers, Inc.**

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