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PRECISION OPTICS CORPORATION INC

Form 8-K

August 01, 2001

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported):
August 1, 2001 (August 1, 2001)

PRECISION OPTICS CORPORATION, INC.

(Exact name of registrant as specified in its charter)

Massachusetts	001-10647	04-2795294
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(State or other jurisdiction of of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

22 East Broadway, Gardner, Massachusetts 01440

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (978) 630-1800

Item 5. Other Events.

On August 1, 2001, the Registrant issued the following press release announcing a reduction in its workforce:

FOR IMMEDIATE RELEASE

WEDNESDAY, AUGUST 1, 2001

PRECISION OPTICS CORPORATION ANNOUNCES
WORKFORCE REDUCTION

GARDNER, MASSACHUSETTS - Precision Optics Corporation, Inc. (Nasdaq: POCI) announced today that it is reducing its workforce by approximately 30%, or 24 employees.

The sharp reduction in demand and industry-wide excess inventory levels of passive telecommunications components has hampered the Company's ability to obtain new orders for its Dense Wavelength Division Multiplexer filters. Furthermore, the Company's principal customer for DWDM filters has notified the Company that it is canceling approximately \$140,000 of filter orders. The Company was notified that this action was due exclusively to the customer's

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excess inventory issues affecting all of its vendors and all product lines. As a result, the Company expects shipments of its DWDM filters during the quarter ending September 30, 2001 to be substantially lower than the \$620,000 of filter shipments in the previous quarter. The Company cannot predict when significant demand for its DWDM filters will resume.

Along with the workforce reduction, the Company will be reducing other discretionary expenses. These actions together are expected to generate annual cash savings in the range of \$1.5 million to \$2 million. The Company will continuously monitor marketplace conditions to determine whether additional cost savings measures are necessary.

ABOUT PRECISION OPTICS

Precision Optics Corporation, a leading manufacturer of optical thin films and optical instruments since 1984, designs and manufactures high-quality optical thin film coatings, medical instruments, and other advanced optical systems. Major applications for the Company's thin film coatings include DWDM filters used to increase the bandwidth capacity of fiber-optic telecommunications networks. The Company's medical instrumentation line includes laparoscopes, arthroscopes and endocouplers and a world-class 3-D endoscope for use in minimally invasive surgical procedures.

Forward-looking statements contained in this news release are made under "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and involve a number of risks and uncertainties that could materially affect future results. Among these risk factors are general economic and business conditions and growth in the optical communications and medical product markets, the impact of competitive products and pricing, availability of third-party components, cost and yields associated with production of the Company's optical communications and other products and the other risk factors and cautionary statements listed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission, including but not limited to, the Company's Annual Report on Form 10-KSB for the year ended June 30, 2000.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PRECISION OPTICS CORPORATION, INC.

Date: August 1, 2001

By: /s/ Jack P. Dreimiller

Name: Jack P. Dreimiller
Title: Senior Vice President,
Finance and
Chief Financial Officer

