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For Immediate Release

**PRO-DEX, INC. ANNOUNCES FISCAL FIRST QUARTER 2008 FINANCIAL RESULTS AND NEW
\$2.4 MILLION PURCHASE AGREEMENT FROM EXISTING CUSTOMER**

*Sales increase 14% year-over-year
Free cash flow improves 58% over year-ago period to \$1.1 million
Company expands credit agreement with Wells Fargo*

SANTA ANA, CA, November 13, 2007 - PRO-DEX, INC. (NASDAQ: PDEX) today announced financial results for the fiscal first quarter 2008 for the period ending September 30, 2007.

Consolidated net sales for first quarter 2008 were \$6.0 million, an increase of 14.0% compared to \$5.2 million reported during the first quarter of fiscal 2007. The increase was due to continued growth in medical products shipped out of our Santa Ana facility. Net income for the three months ended September 30, 2007 was \$326,000 or \$0.03 per share on a basic and diluted basis compared to net income of \$242,000 or \$0.03 per share on a basic and \$0.02 per share on a diluted basis for the year-ago period.

Mark Murphy, the Company's Chief Executive Officer, commented, "We have maintained the momentum that began in our last fiscal year, enjoying recent success in business development that has added to our backlog. I have indicated that this year would be critical to solidifying our value proposition and believe we have made a very good start on that promise as reflected in the solid growth, profitability and cash generation we delivered."

Gross profit for the first quarter increased 9% to \$2.15 million from \$1.98 million in the same quarter last year. Gross profit as a percentage of sales decreased to 36% for the quarter ended September 30, 2007 compared to 38% in the year-ago period due to continued warranty costs.

Operating expenses increased by 5.0% to \$1.63 million for the first quarter of 2008, compared to \$1.55 million in the first fiscal quarter of last year. As a percentage of sales, the expenses remained relatively stable at 18% of sales for the current quarter compared to 17% of sales for the prior year's first quarter.

At September 30, 2007, backlog, which includes orders for delivery beyond 60 days, was \$9.4 million compared with a backlog of \$9.1 million at September 30, 2006 and \$10.1 million at June 30, 2007.

Subsequent to the end of the quarter, Pro-Dex received a new purchase commitment from an existing customer for \$2.4 million of product to be delivered throughout calendar year 2008. Last year, this same customer had informed Pro-Dex of its plans to take in-house the repair and production of two products that Pro-Dex had historically produced for them. The new purchase commitment increases the Company's backlog to nearly \$11.5 million at the present time. In addition, Pro-Dex continues to define the next generation of product

for this same customer and is actively negotiating a new Development and Supply Agreement. “This commitment is concrete evidence of the progress we have made, both in terms of improving quality and enhancing customer relationships,” Mr. Murphy added. “In fact, this commitment demonstrates the shift in our customer’s perception of Pro-Dex. After planning to transition the business in-house, the customer is now expanding its relationship with us, solidifying our role as their strategic partner.”

Working capital at September 30, 2007 increased to \$6.6 million compared to \$6.2 million at September 30, 2006 and was the same as the \$6.6 million at June 30, 2007. Cash flow provided by operations was \$1.1 million in the quarter ended September 30, 2007 compared to \$691,000 for the quarter ended September 30, 2006. Cash was generated through continued profitability, improvements in accounts receivable collections and decreases in inventory.

In another recent development, the Company entered into an expanded credit agreement with Wells Fargo Bank raising its total borrowing capacity to above \$6.6 million at reduced interest rates, up from the \$2.6 million in borrowing capacity in the prior agreement. The Company doubled the size of the credit line to \$4 million for potential working capital needs and added up to \$2 million in availability to fund tenant improvements at the their new Irvine location. Jeff Ritchey, the Company’s CFO commented that, “this substantially increased credit facility indicates the improved financial stability of Pro-Dex in addition to providing us with considerable head-room for growth.”

Teleconference Information:

Investors and all others are invited to listen to a conference call discussing the first quarter 2008 results today at 4:30 p.m. Eastern Time. The call is scheduled to be broadcast live over the Internet and may be accessed by visiting the Company's website at <http://www.pro-dex.com>. Mark Murphy, Chief Executive Officer and Jeff Ritchey, Chief Financial Officer, plan to host the call. If you would like to join the call, dial (866) 323-3543 U.S. and (706) 679-0672 International, conference I.D. 24019796. You may identify the call as the Pro-Dex First Quarter Earnings Call. An online archive of the broadcast will be available within one hour of the completion of the call and will be accessible on the Company's website for 30 days. Additionally, a telephone replay will be available 2 hours after the call for 48 hours by dialing (800) 642-1687 U.S. or (706) 645-9291 for international callers, conference I.D. number 24019796.

Pro-Dex Inc., with operations in Santa Ana, California, Beaverton, Oregon and Carson City Nevada, specializes in bringing speed to market in the development and manufacture of technology-based solutions that incorporate embedded motion control, miniature rotary drive systems and fractional horsepower DC motors, serving the medical, dental, semi-conductor, scientific research and aerospace markets. Pro-Dex's products are found in hospitals, dental offices, medical engineering labs, scientific research facilities, commercial and military aircraft, and high tech manufacturing operations globally.

For more information, visit the Company's website at www.pro-dex.com.

Statements herein concerning the Company's plans, growth and strategies may include 'forward-looking statements' within the context of the federal securities laws. Statements regarding the Company's future events, developments and future performance, as well as management's expectations, beliefs, plans, estimates or projections relating to the future, are forward-looking statements within the meaning of these laws. The Company's actual results may differ materially from those suggested as a result of various factors. Interested parties should refer to the disclosure concerning the operational and business concerns of the Company set forth in the Company's filings with the Securities and Exchange Commission.

PRO-DEX, INC. and SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	<i>September 30, 2007</i> <i>(unaudited)</i>	<i>June 30, 2007</i> <i>(audited)</i>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 781,000	\$ 403,000
Accounts receivable, net of allowance for doubtful accounts of \$141,000 at Sept. 30, 2007 and \$153,000 at June 30, 2007	2,967,000	3,436,000
Inventories, net	4,434,000	4,622,000
Prepaid expenses	257,000	205,000
Deferred income taxes	1,168,000	1,091,000
Total current assets	9,607,000	9,757,000
Property, plant, equipment and leasehold improvements, net	4,027,000	3,778,000
Other assets:		
Goodwill	2,997,000	2,997,000
Intangibles - patents, net	1,296,000	1,321,000
Deferred income taxes	229,000	229,000
Other	37,000	25,000
Total other assets	4,559,000	4,572,000
Total assets	\$ 18,193,000	\$ 18,107,000

PRO-DEX, INC. and SUBSIDIARIES		
CONSOLIDATED BALANCE SHEETS		
	<i>September 30, 2007</i> <i>(unaudited)</i>	<i>June 30, 2007</i> <i>(audited)</i>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Credit line	\$ -	\$ 300,000
Accounts payable	1,096,000	1,110,000
Accrued expenses	1,187,000	1,183,000
Income taxes payable	342,000	158,000
Current portion of term note	250,000	250,000
Current portion of mortgage	29,000	26,000
Current portion of patent deferred payable	82,000	82,000
Total current liabilities	2,986,000	3,109,000
Long-term liabilities		
Term note	333,000	396,000
Mortgage	1,584,000	1,593,000
Patent deferred payable	158,000	158,000
Total long-term liabilities	2,075,000	2,147,000
Total liabilities	5,061,000	5,256,000
Commitments and contingencies		
Shareholders' equity:		
Common shares; no par value; 50,000,000 shares authorized; 9,718,366 shares issued and outstanding September 30, 2007, 9,718,366 shares issued and outstanding June 30, 2007,	16,388,000	16,340,000
Accumulated deficit	(3,256,000)	(3,489,000)
Total shareholders' equity	13,132,000	12,851,000
Total liabilities and shareholders' equity	\$ 18,193,000	\$ 18,107,000
<i>See notes to consolidated financial statements.</i>		

PRO-DEX, INC. and SUBSIDIARIES		
CONSOLIDATED STATEMENTS OF OPERATIONS		
Three months ended September 30 (unaudited)		
	2007	2006

PRO-DEX, INC. and SUBSIDIARIES		
CONSOLIDATED STATEMENTS OF CASH FLOWS		
Three months ended September 30 (unaudited)		
	2007	2006
Cash Flows from Operating Activities:		
Net Income	\$ 326,000	\$ 242,000
Adjustments to reconcile net income to net cash provided by in operating activities:		
Depreciation and amortization	120,000	114,000
Allowance for doubtful accounts	(12,000)	31,000
Stock based compensation	48,000	26,000
Reserve for slow moving and obsolete inventory	15,000	90,000
Changes in:		
Decrease in accounts receivable	481,000	395,000
Decrease (Increase) in inventories	172,000	(421,000)
Increase in prepaid expenses	(51,000)	(107,000)
Increase in other assets	(12,000)	(19,000)
Increase in accounts payable and accrued expenses	58,000	205,000
(Decrease) Increase in income taxes receivable	(53,000)	135,000
Net Cash provided by Operating Activities	1,092,000	691,000
Cash Flows From Investing Activities:		
Additions to Astromec acquisition cost	-	(66,000)
Additions to Intangible assets - Patents related to Intraflow	-	(2,000)
Purchases of equipment and leasehold improvements	(344,000)	(120,000)
Net Cash used in Investing Activities	(344,000)	(188,000)
Cash Flows from Financing Activities:		
Net payments on line of credit	(300,000)	(500,000)
Principal payments on term note	(63,000)	(63,000)
Principal payments on mortgage	(7,000)	(6,000)
Proceeds from option exercise	-	3,000
Net Cash used in Financing Activities	(370,000)	(566,000)
Net Increase (Decrease) in Cash and Cash Equivalents	378,000	(63,000)
Cash and Cash Equivalents, beginning of year	403,000	358,000
Cash and Cash Equivalents, end of period	\$ 781,000	\$ 295,000
<i>Supplemental Information</i>		
Cash payments for interest	\$ 45,000	\$ 70,000
Cash payments for income taxes	\$ 215,000	\$ -