



# News Release

## IWG ANNOUNCES THIRD QUARTER RESULTS – FISCAL 2005

August 17, 2005

Burnaby, BC, Canada - International Water-Guard Industries Inc. reported sales during the third quarter in fiscal 2005 of \$723,342. Third quarter earnings before special items were \$41,541 compared to a loss of (\$162,291) in the prior year's third quarter. ,

Nine-month sales to June 30th were \$2,319,068 compared to \$2,889,063 in the prior year, while nine-month earnings before special items were \$113,562 compared to a loss of (\$67,167) a year earlier. Prior year 3<sup>rd</sup> quarter sales included the delivery of two aircraft circulating potable water systems, with five such systems delivered in the prior year nine month period. Sales volume for the third quarter decreased of 23% from the previous year due to the impact of aircraft water systems sales. However, sales of aviation water treatment equipment have increased by 40% over the same period.

During the third quarter to June 30th, the Company recorded special one-time gains of \$10,777, totaling \$750,514 year-to-date, increasing net earnings for the quarter to \$52,318 and to \$864,076 year to date.

The results for the quarter provide \$nil earnings per share in the current quarter (\$0.04 year to date) compared to a loss of \$0.01 per share in the prior year (\$nil year to date) on both a basic and fully diluted basis.

"The important thing to note from these results is the continuing growth of our base business and operating profit" noted David Fox, IWG President & CEO. "Taken with our recently completed private placement and injection of new capital, we have a firm base on which we are building the company. It is noteworthy that increased sales of aviation water treatment equipment has more than compensated for the divestiture of IWG's non-aviation business. We are also seeing a marked upturn in the proposal activity we are engaged in" he added.

International Water-Guard Industries Inc. is a Canadian aerospace company focusing on aircraft potable water treatment and full water system solutions. IWG has expertise in all aspects of water treatment, and has the products and know-how to provide high quality water for passengers and crew, and light weight, space saving solutions for the aircraft operator.

On behalf of the Board of Directors  
International Water-Guard Industries Inc.

"David C. Fox"  
President and CEO

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

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