



IWG ANNOUNCES THIRD QUARTER RESULTS – FISCAL 2012

July 26, 2012

Burnaby, BC, Canada – IWG Technologies Inc. today announced financial results for the third quarter fiscal 2012 ended June 30, 2012.

Company highlights:

- A quarterly sales record at \$1.62M up 47% from the same quarter a year ago.
- Nine month sales of \$4.35M up 34% from the same period FY2011.
- Quarterly net loss of \$11K, vs. net earnings of \$14K the same quarter a year ago.
- Earnings before taxes and an exceptional item for the third quarter were \$280K vs. \$112K a year earlier.
- Nine month net earnings of \$208K up 32% from FY2011.

The Company reported sales of \$1,622,335 compared to \$1,104,014 for the same quarter of the previous year. Third quarter net loss after taxes was (\$10,503) compared to net earnings of \$14,258 in the previous year. Nine month sales to June 30th were \$4,354,909 compared to \$3,256,437 in the prior year with net earnings of \$208,343 compared to net earnings of \$157,319.

The results for the quarter provide nil¢ net loss per share in the current quarter (0.6¢ net earnings year-to-date) compared to net earnings of nil¢ per share in the third quarter last year (0.4¢ year-to-date) on both a basic and fully diluted basis. Current results reflect the continued impact of new programs entering early production phase and customer acceptance of our newly acquired on-demand water heater products. Also reflected in this quarter is the contract settlement cost impact as a result of the departure of the Company's President and CEO. Income from operations before contract settlement impact was \$279,963, a 150% increase over the prior period. The full version of the Company's financial statements can be viewed at www.sedar.com and on IWG's website.

"With the Company's investments in product development and the acquisition of the on-demand water heater product line, current year revenues and earnings are demonstrating the benefits of these investments," said Bruce Gowan, IWG's Chairman. "Our operating cash flow has increased providing an increase in working capital. This trend will provide the Company with the ability to continue investing in other new product lines in the future."

IWG Technologies, Inc is the public holding company for International Water-Guard Industries Inc., a Canadian aerospace company focused on aircraft potable water treatment, water systems, heaters and components. 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 lightweight, space saving solutions for the aircraft operator.

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

"Bruce W. Gowan"
Chair of the Board

This news release contains certain forward-looking statements that reflect the current views and/or expectations of IWG with respect to its performance, business and future events including statements with respect to completion of proposed or future transactions. Such statements are subject to a number of risks, uncertainties and assumptions, which may cause actual results to be materially different from those expressed or implied including the risk that required approvals will not be obtained and that suitable additional businesses may not be identified. IWG assumes no future obligation to update these forward looking statements except as required by applicable securities laws.

TSX VENTURE: IWG

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