



News Release

FISCAL 2002 RESULTS ANNOUNCED

February 6, 2003

Burnaby, BC, Canada -

International Water-Guard Industries Inc. (IWG) reports sales for the fiscal year ended September 30, 2002 of \$4,048,939, an increase of 4.5% over the previous year's sales of \$3,874,604. A loss of \$395,717 was incurred, compared to a profit of \$205,423 in the previous year. The fiscal 2002 loss of \$(0.03) per share compares to fiscal 2001 earnings of \$0.03 per share, on both a basic and fully diluted basis.

"In spite of the worldwide aviation downturn, we managed to achieve a number of major milestones," said IWG President and CEO, Bill Coote. Among the achievements for fiscal 2002 are:

- Completion of a Circulating Potable Water System (C-PWSTM) design, supply, and installation for a Gulfstream G-IV business jet at Gulfstream's Savannah, Georgia.
- A long-term contract for NPS-A3 water treatment units to be installed on the Royal Air Force's fleet of Nimrod patrol aircraft.
- Development of the NPS-A6, a larger water treatment unit suitable for installation on commercial airliners.
- U.S. Patent grants for the C-PWS™ and for the NPS-A3 and NPS-A6 water treatment units.
- Addition of new Board of Directors member, John Lawson, who recently retired as President of Bombardier Business Aircraft Sales with responsibility for the worldwide marketing and sales of all Learjet and Bombardier corporate jets.
- Completion of a C-PWS™ design for the Boeing Business Jet and the commercial aircraft from which it is derived, the Boeing 737 NG aircraft.

"Another encouraging aspect of fiscal 2002 was the increased awareness by the public and aviation regulatory bodies of the issues surrounding aircraft water quality and aircraft water systems in general," Coote said, citing several examples:

- A Wall Street Journal special feature on November 1, 2002 that was critical of airline water quality.
- A Transport Canada Business and Commercial Aviation Advisory Circular (No. 208), that called for greater effort on the part of airlines and corporate flight departments to ensure compliance with the Potable Water Regulations for Common Carriers.
- A Transportation Safety Board of Canada Aviation Safety Recommendation (November 14, 2002) that called for action to eliminate the risk of water line heater ribbons starting fires. The report stemmed from a May, 2002 fire aboard an Air Canada 767 aircraft that was caused by failure of a water line heater ribbon. IWG's Circulating Potable Water System design eliminates heater ribbons altogether.

International Water-Guard Industries Inc. is a Canadian water treatment company providing total water treatment solutions to aviation, industrial/commercial, and residential customers throughout the world. Services include water treatment needs analysis, system design/assembly, and ongoing support. IWG has expertise in all aspects of water treatment, including advanced filtration, ultraviolet disinfection, reverse osmosis, deionization, etc.

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

TSX VENTURE: IWG

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