



# News Release

## IWG ANNOUNCES SECOND QUARTER RESULTS – FISCAL 2005

May 13, 2005

Burnaby, BC, Canada - International Water-Guard Industries Inc. reported sales during the second quarter ending March 31, 2005 of \$824,728, a 4% increase above the previous year's second quarter sales of \$791,588.

Sales of aviation water treatment equipment and parts have continued to increase on a quarter to quarter basis compared to the prior year, showing 12% growth for Q1 and 31% year to date. Due to the delivery of three aircraft circulating potable water systems in the prior year, overall sales decreased by 16% for the six months on a year-to-year basis, being \$1,595,727, compared to \$1,955,035 in the previous year.

Second quarter earnings before special items were \$41,431 compared to earnings of \$4,278 in the prior year's second quarter. For the six-month period to March 31<sup>st</sup>, earnings before special items were \$72,021 compared to \$95,124 a year earlier. During this second quarter to March 31, 2005, the Company recorded special one-time gains of \$739,737 from debt settlements and the sale of its commercial and industrial business, increasing net earnings for the quarter to \$781,168 and the year to date to \$811,758.

The results for the quarter provided \$0.04 earnings per share in the current quarter (\$0.04 year to date) compared to prior year earnings of nil in the same quarter (\$0.01 per share 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 announced private placement, we have a firm base on which to build the company"

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.*

### **TSX VENTURE: IWG**

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