

## **International Electronics, Inc. News Release**

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## **International Electronics, Inc. Reports Second Consecutive Quarter of Record Revenue for Fourth Quarter of Fiscal 2005**

### ***Quarterly Net Profit and Gains Across all Security Product Lines Highlight Fourth Quarter Results***

CANTON, MA. November 28, 2005 – International Electronics, Inc. (OTCBB: IEIB), a leading manufacturer of electronic access control and asset management products for industrial and commercial applications, today reported quarterly financial results for the fourth quarter and fiscal year, ending August 31, 2005. The company reported a net profit for the fourth quarter and its second consecutive quarter of record revenues.

Net sales for the three months ended August 31, 2005 were \$3,569,843, an increase of 23% compared with net sales of \$2,899,924 for the same period of the prior year. Operating profit for the fourth quarter was \$39,556 compared with an operating loss of (\$236,313) for the fourth quarter of fiscal 2004. Profit before income taxes for the fourth quarter of fiscal 2005 was \$42,495 compared with loss before income taxes of (\$236,160) for the prior year. The net income for the fourth quarter of fiscal 2005 was \$40,395, or \$0.02 per diluted share, an increase from the net loss of (\$687,160) or (\$0.40) per diluted share for the same prior year period.

Net sales for the fiscal year ended August 31, 2005 were \$12,646,997 compared with \$11,393,708 for fiscal year 2004, which was an increase of 11%. The operating loss for fiscal year 2005 was (\$723,697) compared with an operating loss of (\$667,781) for fiscal year 2004. The loss before income taxes for fiscal 2005 was (\$717,927) compared with the loss before income taxes of (\$674,482) for the prior year. The net loss for fiscal 2005 was (\$720,027) or (\$0.42) per diluted share compared with a net loss of (\$1,125,482) or (\$0.68) per diluted share for fiscal 2004. The net loss in fiscal 2004 included a loss of (\$445,000) due to a reduction in a previously recorded net deferred tax asset.

John Waldstein, President and CEO said, "I am pleased to report both our second consecutive quarter of record revenue as well as a return to profitability for the quarter. We have made continual gains since the first quarter. I am also pleased to report that during the fourth quarter we showed gains in revenue over the third quarter in all of our security and PowerKey™ product categories including Door-Gard™ stand alone keypads, our access systems products and our PowerKey™ Fleet Management Systems." Waldstein continued, "Over the course of this year, we have made significant investments in reinvigorating our brand, growing our sales

organization and developing products that point IEI to the future. We continue to be excited about our eMerge™ Browser Managed Security Platform. The eMerge™ products are attractive to end users as well as our dealer base because of its embedded software, integrated applications, including access control, video and alarms, its lower cost of ownership and support and its standard Ethernet based protocols. We see more and more dealers embracing this product and this direction.”

“We continue to believe that the market for our wireless fleet management product, PowerKey™, has significant growth potential. The Company’s solutions have been documented to benefit end users by reducing operating costs, increasing security, improving safety, improving and insuring regulatory compliance, enhancing service and reducing capital and personnel expense. We look forward to the efforts that have been made in both product development and expansion of our channels of distribution to pay dividends in fiscal 2006.”

As of August 12, 2005, shares of International Electronics, Inc. were traded in the Over-the Counter Bulletin Board (“OTCBB”) under the symbol IEIB.

***About International Electronics, Inc.***

International Electronics, Inc. (IEI), an ISO9001:2000 certified manufacturer, designs, manufactures, markets and sells electronic access control equipment and browser-managed security platforms used in residential and commercial security systems and wireless access control and fleet management systems for industrial mobile asset applications. IEI’s products include its Door-Gard™ and Secured Series™ access control lines, its LS line of integrated battery operated door locks, its eMerge™ browser-managed access and security management products and its line of PowerKey™ industrial access control and fleet management products. IEI markets these products to the leading distribution and installation companies serving the electronic security industry and PowerKey™ products direct to end user companies along with those companies servicing the material handling equipment industry in the United States as well as in Eastern and Western Europe, Asia, Canada, South America, Australia and New Zealand. For more information about IEI and access to our press releases, SEC filings and other investor relations data, please visit our website at [www.ieib.com](http://www.ieib.com).

**Safe Harbor Statement** under the Private Securities Litigation Reform Act of 1995 (the “Act”): This news release contains forward looking information within the meaning of the Act and the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended including statements that include the words “believes”, “expects”, or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of IEI, to differ materially from those expressed or implied by such forward-looking statements. Except for the historical information contained herein, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties. These risk factors are identified in our Form 10-QSB for the quarter ending May 31, 2005, which is on file with the Securities and Exchange Commission.

**INTERNATIONAL ELECTRONICS, INC.**  
**Consolidated Financial Highlights**

**CONSOLIDATED STATEMENTS OF OPERATIONS DATA**

	<u>Three Months Ended</u>		<u>Year Ended</u>	
	<u>8/31/05</u>	<u>8/31/04</u>	<u>8/31/05</u>	<u>8/31/04</u>
	<b>(Unaudited)</b>			
Revenues	\$3,569,843	\$2,899,924	\$12,646,997	\$11,393,708
Gross profit	1,650,690	1,134,443	5,668,177	4,767,119
Profit (loss) from operations	39,556	(236,313)	(723,697)	(667,781)
Profit (loss) before income taxes	42,495	(236,160)	(717,927)	(674,482)
Net profit (loss)	\$40,395	(\$687,160)	(\$720,027)	(\$1,125,482)
Basic and diluted profit (loss) per share	\$0.02	(\$0.40)	(\$0.42)	(\$0.68)
Shares used in computing net loss per share:	1,729,553	1,707,238	1,729,536	1,654,326

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<u>8/31/05</u>	<u>8/31/04</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$1,165,847	\$2,142,526
Other current assets	<u>2,891,506</u>	<u>2,300,952</u>
Total current assets	4,057,353	4,443,478
Property and equipment, net	605,874	771,155
Other assets	<u>6,055</u>	<u>6,055</u>
	<u>\$4,669,282</u>	<u>\$5,220,688</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Total current liabilities	\$2,493,108	\$2,131,032
Long-term obligations, less current portion	-	196,175
Total shareholders' equity	<u>2,176,174</u>	<u>2,893,481</u>
	<u>\$4,669,282</u>	<u>\$5,220,688</u>

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