



## OUR MISSION

IVT is focused on providing solutions for Original Equipment Manufacturers (OEMs) in the telecommunications, electric utility, computer and business equipment markets. We create value for our customers by integrating their technologies with enclosures using our expertise in product design, manufacturing and logistics. Entrepreneurial drive, consistent quality, flexibility and global capabilities position us as a leader in the outsourcing market. We succeed by enhancing our customers' margins and process improvement, and by consistently outperforming our competitors. Our success is created and shared by our employees, shareholders and customers alike.

## OUR STRATEGY

It is IVT's strategic intent to be a leading full-service outsourcing manufacturer to North American OEMs. We are focused on developing strategic customer relationships, continuously improving operational efficiency and product quality, and on providing integrated solutions to satisfy our customers' manufacturing needs.

IVT is establishing a leadership position in manufacturing and supply chain management by developing and enhancing relationships with leading OEMs. The recent signing of a three year agreement with GE Harris Energy Control Systems Canada, Inc. will provide IVT with \$6 – 8 million of new orders over the life of the contract. The increased revenue stream will come from growth in existing business, assembly work and engineering. The new supplier partnership with GE Harris represents the strategic development that IVT continues to seek with other OEM customers.

Presently, IVT is evaluating and selectively pursuing strategic acquisitions. Such acquisitions will broaden IVT's current manufacturing and supply chain service offerings. Additionally, IVT will expand its geographic presence in North America by carefully targeting acquisitions in specific locations. The last major consideration for the success of the IVT strategy is to increase margins through value-added services. Assembly and integration capabilities are being expanded with existing customers and are being offered to new customers. These services will allow our customers to view IVT as a one-stop shop for their design, engineering, manufacturing and assembly requirements.

## INTERIM REPORT TO OUR SHAREHOLDERS

### FINANCIAL HIGHLIGHTS (In Thousands of Dollars)

	3 Months Ended Feb. 28		9 Months Ended Feb. 28	
	1999	1998	1999	1998
Sales	\$ 4,242	\$ 3,446	\$14,573	\$11,833
EBITDA	\$ (282)	\$ (35)	\$ 338	\$ 107
Net income (loss)	\$ (262)	\$ (107)	\$ (69)	\$ (180)
Earnings per share				
(fully diluted in dollars)	\$ (0.10)	\$ (0.04)	\$ (0.03)	\$ (0.07)
Shares outstanding (x 1000)	2,533	2,533	2,533	2,533



David W. Donaldson  
President & CEO

April 20, 1999

The strategic focus on Original Equipment Manufacturer customers (OEMs) capable of providing IVT with enhanced margins has produced excellent revenue figures. Revenues for the third quarter of fiscal 1999 are up 23% over the same quarter last year. The year to date revenue for the nine months ending February 28, 1999 is also 23% higher than the same period in fiscal 1998.

The net loss of \$262,000 or \$0.10 per share for the three months ended February 28, 1999 is consistent with the historic seasonal imbalance of costs to sales in the third quarter. For the nine months ended February 28, 1999 the net loss has been reduced by 62% over last year at the same time.

Further developments were achieved by the sales efforts this quarter. IVT signed a three year supplier partnership agreement with GE Harris. The GE Harris agreement has not impacted the sales figures this quarter, but will provide IVT with \$6 - 8 million of new orders over the life of the contract. The signing of this agreement is an indication of success for the sales group as they continue to develop relationships with present and new customers.

### INVENTRONICS LIMITED STATEMENT OF INCOME

(In Thousands of Dollars) (Unaudited)

	3 Months Ended Feb. 28		9 Months Ended Feb. 28	
	1999	1998	1999	1998
<b>SALES</b>	\$4,242	\$ 3,446	\$14,573	\$11,833
<b>COSTS AND EXPENSES</b>				
Cost of sales				
& operating expenses	4,524	3,481	14,235	11,726
Depreciation & amortization	138	116	420	340
Interest				
Short term	(12)	1	(30)	(6)
Long term	18	21	54	62
	4,668	3,619	14,679	12,122
<b>INCOME BEFORE INCOME TAXES</b>	(426)	(173)	(106)	(289)
Income Taxes				
Current	(114)	(45)	(38)	(132)
Deferred	(50)	(21)	1	23
	(164)	(66)	(37)	(109)
<b>NET INCOME FOR THE PERIOD</b>	\$ (262)	\$ (107)	\$ (69)	\$ (180)

### NO. OF OUTSTANDING COMMON SHARES

(000's omitted)	2,533	2,533	2,533	2,533
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### EARNINGS PER SHARE (In Dollars)

Basic	\$ (0.10)	\$ (0.04)	\$ (0.03)	\$ (0.07)
Fully Diluted	\$ (0.10)	\$ (0.04)	\$ (0.03)	\$ (0.07)

### INVENTRONICS LIMITED BALANCE SHEET AS AT 28 FEBRUARY

(In Thousands of Dollars) (Unaudited)

	1999	1998
Current Assets	\$ 5,655	\$ 5,484
Net Capital Assets	4,643	4,650
<b>Total Assets</b>	<b>\$ 10,298</b>	<b>\$ 10,134</b>
Current Liabilities	\$ 2,644	\$ 2,380
Obligations under capital lease	775	885
Deferred government assistance	229	256
Deferred income tax	717	573
Shareholders' Equity:		
Share capital	2,305	2,305
Retained earnings	3,628	3,735
<b>Total Shareholders' Equity</b>	<b>\$ 5,933</b>	<b>\$ 6,040</b>
<b>Total Liabilities and Equity</b>	<b>\$ 10,298</b>	<b>\$ 10,134</b>

### INVENTRONICS LIMITED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE NINE MONTHS ENDED 28 FEBRUARY

(In Thousands of Dollars) (Unaudited)

	1999	1998
<b>OPERATING ACTIVITIES</b>		
Net income for the period	\$ (63)	\$ (179)
Items not involving cash		
Depreciation and amortization	420	340
(Gain)Loss on sale of capital assets	-	(2)
Deferred income taxes	51	23
Deferred government assistance	(20)	(20)
Changes in non-cash working capital balances		
Income taxes(paid/recoverable)	(389)	(450)
Other	277	282
	276	(6)
<b>FINANCING ACTIVITIES</b>		
Obligations under capital lease incurred	4	52
Repayment of obligations under capital lease	(83)	(71)
Issuance of common shares	-	-
	(79)	(19)
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(376)	(519)
	(376)	(519)
<b>INCREASE (DECREASE) IN CASH</b>	<b>(179)</b>	<b>(544)</b>
Cash, beginning of period	662	906
<b>CASH (BANK INDEBTEDNESS), END OF PERIOD</b>	<b>\$ 483</b>	<b>\$ 362</b>

## SHAREHOLDER INFORMATION

### SHARES TRADED ON

The Toronto Stock Exchange  
Trading Symbol (IVT)

### TRANSFER AGENT

Montreal Trust Company  
Mezzanine Level, 200 Portage Ave.  
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