

# CIRCUIT WORLD CORPORATION

For Immediate Release: Monday, January 26, 2004

## CIRCUIT WORLD ANNOUNCES FOURTH QUARTER AND YEAR END RESULTS

Toronto, January 26 – Circuit World Corporation (TSX:CCW) today announced the fourth quarter results for the period ending November 30, 2003.

Fourth Quarter Results (three months ended November 30, 2003  
compared with three months ended November 30, 2002)

	<u>Q4 2003</u>	<u>Q4 2002</u>
Sales	\$11,528,000	\$7,508,000
Net (Loss)/Income after tax	(\$245,000)	\$361,000
EPS - basic & fully diluted	(\$0.02)	\$0.04

Year End Results (twelve months ended November 30, 2003,  
compared with twelve months ended November 30, 2002)

	<u>2003</u>	<u>2002</u>
Sales	\$32,807,000	\$25,842,000
Operating earnings after tax*	\$420,000	\$568,000
Net (Loss)/Income after tax	(\$2,147,000)	\$568,000
EPS - basic & fully diluted	(\$0.19)	\$0.07

Fourth quarter revenue increased 54% over the same period in 2002. The increase is attributable to the merger between Circuit World Corporation (“the Company”) and Firan Technology Group Inc (“FTG”) on July 30, 2003. The 2002 comparables are the financial results of FTG, as FTG is the deemed parent for accounting purposes.

Gross margin for the fourth quarter was 27% as compared to 24% in 2002. The improvement is a result of one-time, non-cash adjustments to the financial statements that resulted from the merger. These adjustments primarily relate to changes in the valuation of certain finished goods and raw material inventories.

The continual strengthening of the Canadian dollar during the fourth quarter negatively impacted the financial results. Approximately 80% of all sales and 30% of material costs are denominated in US dollars. The Company manages the exposure to these market risks through regular operating and financing activities and, when deemed appropriate, hedge these risks through the use of derivative financial instruments.

“While we continue to make progress in integrating the businesses, we have had delays and now expect the integration to be complete by the second quarter. We expect additional restructuring costs in the first quarter of 2004, but we remain confident that we will realize all of the benefits originally contemplated from the merger”, added Mr. Bradley Bourne, President and Chief Executive Officer.

\* Operating earnings after tax has been presented to show the financial results before one time restructuring costs associated with the merger.

Circuit World Corporation is a leading supplier of high reliability printed circuit boards and flight deck subsystems. The company manufactures its products through its operating divisions, PC World and FTG.

The company's shares are traded on the Toronto Stock Exchange under the symbol CCW.

This news release contains certain forward-looking statements that reflect the current views and/or expectations of Circuit World with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions. Actual results and events may vary significantly.

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Updates can be found at the company's web site [www.circuitworld.com](http://www.circuitworld.com)  
*The company welcomes calls from brokers and analysts wishing to learn more about Circuit World.*

**CIRCUIT WORLD CORPORATION**

**Consolidated Statements of Operations and Retained Earnings**  
**(in thousands of dollars except per share amounts)**

	Three Months Ended		Year Ended	
	30-Nov-03	30-Nov-02	30-Nov-03	30-Nov-02
SALES	\$ 11,528	\$ 7,508	\$ 32,807	\$ 25,842
COST OF SALES	8,324	5,734	23,937	20,429
GROSS MARGIN	3,204	1,774	8,870	5,413
EXPENSES				
Selling, general and administrative	2,507	884	5,855	3,117
Amortization of plant and equipment	869	368	2,165	1,443
Interest expense on long-term debt	73	-	102	-
	3,449	1,252	8,122	4,560
OPERATING EARNINGS/(LOSS)	(245)	522	748	853
RESTRUCTURING COSTS	-	-	2,567	-
(LOSS) / EARNINGS BEFORE TAX	(245)	522	(1,819)	853
INCOME TAX (RECOVERY)/PROVISION		161	328	285
NET (LOSS) / EARNINGS	(245)	361	(2,147)	568
RETAINED EARNINGS, BEGINNING OF PERIOD	(954)	587	948	380
(DEFECIT)/RETAINED EARNINGS, END OF PERIOD	\$ (1,199)	\$ 948	\$ (1,199)	\$ 948
EARNINGS/(LOSS) PER SHARE				
Basic and diluted	\$ (0.02)	\$ 0.04	\$ (0.19)	\$ 0.07

**CIRCUIT WORLD CORPORATION**  
**Consolidated Balance Sheets**  
**As at November 30, 2003 and 2002**  
**(in thousands of dollars)**

	30-Nov-03	30-Nov-02
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 39	\$ -
Accounts receivable	7,470	5,249
Inventories	4,824	2,924
Prepaid expenses	275	213
Future Income Taxes	-	110
	12,608	8,496
PLANT AND EQUIPMENT	12,242	6,108
FUTURE INCOME TAXES	3,515	405
PROMISSORY NOTE	1,500	-
GOODWILL	896	-
OTHER ASSETS	70	-
	\$ 30,831	\$ 15,009
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 7,458	\$ 3,699
Accrued restructuring liability	1,710	-
Current portion of long-term debt	1,473	100
Income taxes payable	5	198
Due to parent	-	8,299
	10,646	12,296
LONG-TERM DEBT	2,066	300
	12,712	12,596
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL - COMMON SHARES	10,347	1,465
SHARE CAPITAL - PREFERRED SHARES	2,218	-
CONTRIBUTED SURPLUS	6,753	-
(DEFICIT)/RETAINED EARNINGS	(1,199)	948
	18,119	2,413
	\$ 30,831	\$ 15,009

**CIRCUIT WORLD CORPORATION**  
**Consolidated Statements of Cash Flows**  
**Years ended November 30, 2003 and 2002**  
**(in thousands of dollars)**

30-Nov-03    30-Nov-02

**NET INFLOW (OUTFLOW) OF CASH RELATED**

**OPERATING**

Net earnings/(loss)	\$ (2,147)	\$ 568
Items not affecting cash		
Restructuring charges	1,552	-
Future income taxes	-	(126)
Amortization of other assets	83	-
Amortization of plant and equipment	2,165	1,443
	1,653	1,885
Changes in non-cash operating working capital	1,609	390
	3,262	2,275

**INVESTING**

Additions to plant and equipment	(1,439)	(1,182)
	(1,439)	(1,182)

**FINANCING**

Repayment of advances to parent		(993)
Repayment of long-term debt	(569)	(100)
	(569)	(1,093)

**INCREASE IN CASH**

1,254    -

**CASH , BEGINNING OF PERIOD**

-    -

**BANK INDEBTEDNESS ACQUIRED ON ACQUISITION**

(1,215)    -

**CASH (BANK INDEBTEDNESS), END OF PERIOD**

\$ 39    \$ -

**DISCLOSURE OF CASH PAYMENTS**

Interest	\$ 102	\$ (54)
Payment of income tax	\$ 503	\$ 880