

**International Electronics, Inc. Reports First Quarter Results for
Fiscal 2007**

Reports Record Quarterly Revenues and Improved Net Profit

CANTON, MA. January 11, 2007 – International Electronics, Inc. (OTCBB symbol IEIB), a leading manufacturer of electronic access control and asset management products for industrial and commercial applications, today reported quarterly financial results for the first quarter of the fiscal year ending August 31, 2007. The company reported record quarterly revenues and continued improvement in operating profitability for the first quarter over each quarter of fiscal 2006.

Net sales for the three months ended November 30, 2006 were \$4,301,353 versus sales of \$3,368,960 in the same quarter of the prior year, an increase of 28%. Gross margins for the first quarter of fiscal 2007 improved 2% from the same quarter of the prior year from 43% to 45%. Operating profit for the first quarter of fiscal 2007 was \$146,558 as compared with a loss of (\$259,131) in the same quarter of fiscal 2006. The net income for the first quarter of fiscal 2007 was \$126,534, or \$.07 per diluted share as compared with a loss of (\$256,400), or (\$.15) per diluted share in the same quarter of fiscal 2006.

John Waldstein, President and CEO said, "We are encouraged by the continuing growth in revenues and profitability. We experienced important gains in the first quarter across our primary product lines, which includes eMerge™, our new browser managed security platform products, our core group of security products, as well as our PowerKey™ Fleet Management System. The accelerating pace of acceptance for eMerge products is especially gratifying. It reflects a rapidly developing market acceptance for our eMerge products and positive results from our ongoing strategy to train and certify a significant number of installing dealers."

Waldstein continued "Industry surveys continue to show strong growth in the access control market segment. We believe that the work we have done over the past several years positively positions IEI to continue to play an increasing role in that marketplace."

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 its security management and access control products to leading distribution and electronic security installation companies, and its PowerKey™ products directly to material handling equipment users worldwide. For more information about IEI visit 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 November 30, 2006, 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>11/30/06</u>	<u>11/30/05</u>
	<u>(Unaudited)</u>	
Revenues	\$4,301,353	\$3,368,960
Gross profit	1,913,282	1,432,618
Income (loss) from operations	146,558	(259,131)
Income (loss) before income taxes	126,534	(256,400)
Net income (loss)	\$126,534	\$(256,400)
Basic and diluted income (loss) per share	\$0.07	\$(0.15)
Shares used in computing basic net income (loss) per share:	1,738,931	1,737,705
Shares used in computing diluted net income (loss) per share:	1,747,254	1,737,705

CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>11/30/06</u>	<u>8/31/06</u>
	<u>(Unaudited)</u>	
ASSETS		
Cash and cash equivalents	\$911,150	\$948,573
Other current assets	<u>3,777,257</u>	<u>3,444,813</u>
Total current assets	4,688,407	4,393,386
Property and equipment, net	595,622	646,763
Other assets	<u>12,222</u>	<u>20,722</u>
	<u>\$5,296,251</u>	<u>\$5,060,871</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Total current liabilities	\$3,388,866	\$3,280,926
Total shareholders' equity	<u>1,907,385</u>	<u>1,779,945</u>
	<u>\$5,296,251</u>	<u>\$5,060,871</u>

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