HUSKY

HUSKY INJECTION MOLDING SYSTEMS LTD. ISSUES FISCAL 2003 FOURTH QUARTER AND FULL YEAR RESULTS

Toronto, Ontario, September 25, 2003

Toronto, Ontario, September 25, 2003 – Husky Injection Molding Systems Ltd. (TSX: HKY) today announced its results for the fourth quarter and fiscal year ended July 31, 2003. **All figures in this press release are in US dollars unless otherwise stated.**

Robert Schad, Husky's President and Chief Executive Officer commented, "Fiscal 2003 did not bring any noticeable improvement in the overall economic conditions of our industry, as global injection molding equipment sales remained about 30% below 2000 levels. Despite this situation, we grew sales and returned to profitability.

For fiscal 2003, our orders increased 3%, building on the 10% growth achieved during 2002. Sales for the year grew 40% to $816 million, reflecting both higher opening backlog levels and improved order performance during the first half of the year. The increase in revenues, combined with favourable product mix and cost reductions, resulted in significant margin improvement. As a result, net income of $47 million represented an increase of over $60 million compared to 2002.

Free cash flow for the year was $68 million. This follows two fiscal years during which the Company generated $55 million of positive free cash flow despite incurring losses. As a result, Husky ended fiscal 2003 with a record cash and investment balance of $123 million, and net debt of $46 million, which is down 57% from the beginning of the fiscal year. Despite persistent economic uncertainty over the last several years, the Company's operating results and balance sheet have improved and confirm the progress we are making.

This progress stems largely from our persistence during some very difficult years. Rather than cutting back indiscriminately, we methodically continued to invest in product development, capital equipment and operational improvements. And we sought opportunity in adversity by helping customers to streamline and further automate their operations.

Fiscal 2003 had a number of highlights that underscored our efforts to transform the Company:

- At this year's National Plastics Exposition we presented ourselves as a very different company compared to the image we had previously. This included a powerful demonstration of our innovation. We displayed the industry's highest output systems for thinwall packaging, closures and PET preforms. All of these systems are based on our newly-developed Index and Hylectric machine platforms and incorporate our latest hot runner technology. Clearly, innovation is the lifeblood of our company, providing a strong base for expansion into new market segments.

- We made further investments in our Service and Sales network, particularly in Asia where we see exciting growth opportunities. A Technical Center in Shanghai, currently under construction, will serve as our new Asian headquarters and base for local manufacturing. Our worldwide Service and Sales organization is more important than ever as customers seek to globalize.

- During the past five years, we have made significant operational improvements in productivity and cost competitiveness. Two elements remain critical: Investment in highly specialized manufacturing equipment is a key strategy to increase capacity, accommodate sudden spikes in demand and reduce component cost. Also, standardization and rigorous process management, using Six Sigma and lean manufacturing methods, allow us to work smarter and drive ongoing productivity and cost improvements.

We remain convinced that actively confronting the reality of our changing industry is the only way to succeed – simply waiting for things to get better will lead us nowhere. Our focus for fiscal 2004 will be to further prepare the Company for growth, concentrating on people development, customer relationships and further cost reductions.

Our foundation is solid. Even under present economic conditions, we are in a position to grow sales and prepare for a more aggressive strategy to increase market share."

Management's Discussion and Analysis

Summary of fiscal 2003 fourth quarter and full year results in US dollars

Millions (except EPS)	Three Months Ended July 31, 2003	Three Months Ended July 31, 2002	Year Ended July 31, 2003	Year Ended July 31, 2002
Orders	157.8	205.0	714.0	692.4
Sales	249.6	175.4	815.7	580.9
Net Income (Loss)	14.0	5.4	47.3	(14.2)
Earnings/(Loss) Per Share	0.12	0.05	0.41	(0.12)

Sales

Sales for the year ended July 31, 2003 were $815.7 million, up 40% from $580.9 million last year. This was primarily due to a higher opening backlog and strong order intake in the first half of the year. Sales grew in all territories in spite of generally weak industry conditions.

In North America, sales increased 35%. Approximately two-thirds of this growth was attributable to strong PET demand which began in the second half of fiscal 2002, particularly in bottled water and carbonated soft drink applications. The balance of the increase was due to higher shipments in packaging, technical and general markets, which were in part the result of a large order from a single North American customer received in the fourth quarter of fiscal 2002, most of which shipped during fiscal 2003.

Sales in Europe grew 43%, with shipments increasing in most regions. Approximately 45% of the increase resulted from the translation impact arising from conversion of stronger Euro-denominated sales into US dollars. Excluding foreign exchange, most of the growth was in PET, particularly in Eastern Europe, with repeat business from customers focusing on water and beer applications.

In Latin America, sales increased 13% as a result of a stronger opening backlog of PET and packaging orders. Higher shipments in Mexico were offset by weaker sales in other regions.

In Asia Pacific, sales increased 74%, with growth in all regions due largely to strength in PET in China and Southeast Asia, combined with a stronger opening PET backlog in Japan. Approximately one quarter of the increase was attributable to significant growth in non-PET shipments. This was due in part to improved hot runner shipments in a wide variety of applications.

Gross Profit

Gross profit for the year increased to $217.8 million (26.7% of sales) from $116.9 million (20.1% of sales) last year. Approximately 90% of this improvement was attributable to higher sales volume. Operational efficiencies were achieved at these higher sales levels and plant capacity was more effectively utilized. Gross profit also improved as a result of favourable product mix and cost reductions. These factors were partly offset by higher compensation arising from incentives tied to profitability, and competitive pricing pressures.

Other Income and Expenses

Selling and administration expenses for the year were $143.3 million compared to $118.2 million last year. The increase reflected higher salary, compensation incentives in line with profitability, and other variable costs associated with marketing and sales activities. Other increases included unfavourable foreign exchange on Euro-based expenses and higher depreciation expense and other technical center costs. In addition, the Company accrues 5% of pre-tax income for donations.

Interest expense for the year, net of interest income, decreased to $9.5 million from $10.8 million last year. The decrease was primarily due to higher interest income earned on cash, cash equivalent balances, and marketable securities. Interest expense for the year included $9.4 million attributable to fixed rate debt, compared to $9.3 million last year.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA for the year was $122.0 million compared to $37.7 million last year. The increase resulted from higher gross profit levels, partly offset by increased selling and administration expenses. In addition, last year's first quarter results included a special charge of $7.8 million related to severance and associated benefits across all of the Company's business segments. There were no such charges in the current fiscal year.

Net Income/Loss

Net income for the year ended July 31, 2003 totalled $47.3 million ($0.41 profit per share), compared to a loss of $14.2 million ($0.12 loss per share) last year.

Orders

Orders for the year ended July 31, 2003 increased 3% to $714.0 million compared to $692.4 million last year. PET orders increased in all territories except Latin America, where they declined marginally. Non-PET orders decreased on a comparative basis, primarily due to a large order from a single North American customer booked in the fourth quarter of fiscal 2002. There were no such orders booked during fiscal 2003. Excluding the impact of this large order, technical and general orders increased, partly offset by a decline in packaging activity following a strong year in fiscal 2002. Automotive orders also increased.

In North America, orders decreased marginally compared to last year. Substantial growth in PET was largely offset by the comparative impact of the large order discussed above. This growth in PET was partly attributable to the success of the Company's new high-cavitation systems, which increase productivity significantly, as well as to growing demand in bottled water and carbonated soft drink applications.

In Europe, orders improved due to the translation impact arising from conversion of Euro-denominated orders into US dollars. Excluding the effect of foreign exchange, both PET and non-PET orders approximated last year's levels, with marginal growth in Western Europe offset by declines in other regions.

Latin America orders decreased primarily due to weaker activity in Mexico. While overall PET orders were consistent with the previous year, non-PET declined primarily due to softer packaging demand. In Asia Pacific, orders increased primarily due to strong PET demand in China and Southeast Asia, which more than offset weaker markets in Japan following strong conditions last year. Non-PET demand also increased largely due to growth in a variety of hot runner applications.

Orders for the fourth quarter ended July 31, 2003 decreased 23% to $157.8 million compared to $205.0 million last year. North American orders decreased on a comparative basis, primarily due to the large order booked in the fourth quarter of fiscal 2002 referenced above. There were no such orders booked during the fourth quarter of fiscal 2003. European orders decreased in the quarter, as growth in Western Europe was more than offset by a reduction in Eastern European order intake. The reduction in Eastern Europe was largely due to the timing of order bookings. Orders in Latin America were consistent with last year, as strength in PET in South America offset weaker conditions in Mexico. And in Asia Pacific, orders decreased marginally due in part to a temporary slowdown related to SARS.

Total consolidated backlog at July 31, 2003 was $192.3 million compared to $292.4 million last year.

Liquidity and Capital Resources

Cash Position

Cash provided by operating activities for the year ended July 31, 2003 was $115.8 million, up $56.6 million from last year. This significant improvement in cash flow resulted from increased net income and change in future income taxes, partly offset by a comparative decline in cash generated by lower non-cash working capital levels. From the beginning of the current fiscal year, non-cash working capital decreased principally due to increased accounts payable, partly offset by higher accounts receivable and decreased customer deposits. The increase in accounts payable reflected higher compensation incentives and the translation of Euro and Canadian dollar denominated payables at stronger rates. The change in both accounts receivable and customer deposits was principally due to higher sales in the fourth quarter. In addition, accounts receivable increased as a result of higher levels of extended payment terms provided to customers.

Capital Additions

Capital additions for the year ended July 31, 2003 totalled $47.7 million, compared to $22.6 million last year. Capital investments related primarily to machinery and other equipment purchases, as well as construction costs for the Company's Shanghai Technical Center. At July 31, 2003, the Company had commitments for future capital expenditures totalling $17.2 million, most of which is associated with the purchase of machinery and equipment, expansion of the Vermont facility and construction of the Shanghai Technical Center.

Financing

Debt at July 31, 2003 totalled $169.1 million compared to $157.0 million at July 31, 2002. Taking into account cash, cash equivalent balances and marketable securities on hand at July 31, 2003, net debt was $46.4 million compared with $108.9 million at July 31, 2002. Debt as a percentage of capital at July 31, 2003 was 32%, compared with 34% last year. Net debt as a percentage of capital reduced to 11% at July 31, 2003, down from 26% last year.

On August 12, 2003, the Company closed a $75.0 million committed, unsecured, multi-currency revolving credit facility with a syndicate of three Canadian banks. The facility is available to the Company and its subsidiaries in the United States and Luxembourg, and may be used for general corporate purposes. It matures in July 2005 and is extendable with the agreement of the lenders. This new facility replaced an existing credit facility which was scheduled to mature in November 2003. As at July 31, 2003, there were $5.0 million in letters of credit issued under the then outstanding facility.

The Company expects to meet its operating cash requirements through fiscal 2004 from cash on hand, cash flow from operations, and its committed borrowing capacity.

Segmented Information

Sales and Orders

Please refer to the discussion of sales and orders above.

Gross Profit

In general there were no substantial changes in comparative gross margins earned by the various Service and Sales territories. The largest change in gross margin occurred in Europe, due largely to internal pricing and foreign exchange movements. Improvements in gross margin of the Company's manufacturing operations are attributable mainly to increased volume. The reader is cautioned that internal changes in pricing between business units and foreign exchange fluctuations may affect comparative Service and Sales and manufacturing profit margins, and that such changes may give rise to segmented results which are not necessarily indicative of external business or market conditions.

Change in Accounting Policies

Effective August 1, 2002, in accordance with a revision to CICA Handbook Section 1650, the Company no longer defers and amortizes foreign currency translation gains and losses on foreign currency denominated debt. Instead, such gains and losses are recognized immediately in the Consolidated Statements of Operations and Retained Earnings.

The Company adopted the new recommendations retroactively and the comparative figures have been restated. The effect of adopting the new standard as at August 1, 2002 decreased accounts payable and accrued charges by $25,000 with a corresponding increase to opening retained earnings. The Company's net income for the three month period ended July 31, 2002 decreased by $1,196,000 ($0.01 per share) and the Company's net loss for the year ended July 31, 2002 increased by $1,766,000 ($0.01 per share) with the adoption of this change in accounting policy.

2004 Outlook

While the Company's operating performance improved in fiscal 2003, industry conditions continue to reflect widespread softness in capital spending and economic uncertainty. There are no indications currently that point to a rapid turnaround in global market conditions. Accordingly, the Company expects that uncertain markets are likely to persist into calendar 2004.

Despite economic conditions, the Company's new products provide opportunities to increase market share in a broader range of applications. However, in fiscal 2004, the Company faces a number of specific challenges, including a weaker opening backlog together with the impact of recent currency fluctuations, in particular the strengthening of the Canadian dollar and the Euro against the US dollar. For the first quarter, as a result of the lower opening backlog and a slower start to orders, the Company expects that shipments will decrease compared to last year and that it will record a loss of $0.07 to $0.10 per share. Despite the slower start to the year, the Company remains cautiously optimistic about order prospects going forward.

Consistent with prior years, the Company expects that a significant portion of sales and net income will be generated in the last six months of the fiscal year.

This press release contains certain forward-looking statements that reflect the Company's current view of future events, business outlook and anticipated financial performance. This information and such statements are subject to important risks, uncertainties and assumptions that are difficult to predict. The results or events predicted in these statements may differ materially from actual results or events. Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, the factors described on pages 5 and 6 under the "Risks and Uncertainties" section in the Company's Annual Report 2002 – Financial Supplement for the year ended July 31, 2002.

Husky Injection Molding Systems Ltd. (www.husky.ca) is a global supplier of injection molding equipment and services to the plastic industry. Customers use Husky's equipment to manufacture a wide range of products in the packaging, technical and automotive industries. The Company has more than 40 service and sales offices, supporting customers in over 100 countries. Husky's manufacturing campuses are located in Canada, the United States, and Luxembourg. The Company's common shares are listed on the Toronto Stock Exchange (HKY) and are included in the S&P/TSX Composite Index.

HUSKY INJECTION MOLDING SYSTEMS LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE DATA)

	(unaudited) Three Months Ended		**(audited) Year Ended**	
	July 31, 2003	July 31, 2002	**July 31, 2003**	July 31, 2002
Sales	**249,554**	175,418	**815,652**	580,946
Cost of sales	**187,900**	133,658	**597,832**	464,033
Gross profit	**61,654**	41,760	**217,820**	116,913
Other expenses				
Sales and administration	**40,061**	30,864	**143,296**	118,249
Special charge	**-**	-	**-**	7,770
Interest - current, net	**(262)**	(73)	**(1,088)**	(46)
- long-term	**2,657**	2,599	**10,577**	10,871
Total expenses	**42,456**	33,390	**152,785**	136,844
Earnings (loss) before income taxes	**19,198**	8,370	**65,035**	(19,931)
Provision for (recovery of) income taxes				
Current	**6,500**	4,723	**8,868**	1,977
Future	**(1,317)**	(1,719)	**8,905**	(7,681)
	5,183	3,004	**17,773**	(5,704)
Net earnings (loss) for the period	**14,015**	5,366	**47,262**	(14,227)
Retained earnings, beginning of period	**209,806**	171,193	**176,559**	190,786
Retained earnings, end of period	**223,821**	176,559	**223,821**	176,559
Basic and diluted earnings (loss) per share	**0.12**	0.05	**0.41**	(0.12)
Weighted average number of common shares outstanding	**116,790,898**	116,503,349	**116,681,916**	116,445,243

Effective August 1, 2002, in accordance with a revision to CICA Handbook Section 1650, the Company no longer defers and amortizes foreign currency translation gains and losses on foreign currency denominated debt. Instead, such gains and losses are recognized immediately in the Consolidated Statement of Operations and Retained Earnings.

The Company adopted the new recommendations retroactively and the comparative figures have been restated. The effect of adopting the new standard as at August 1, 2002 decreased accounts payable and accrued charges by $25 with a corresponding increase to opening retained earnings. The Company's net income for the three month period ended July 31, 2002 decreased by $1,196 ($0.01 per share) and the Company's net loss for the year ended July 31, 2002 increased by $1,766 ($0.01 per share) with the adoption of this change in accounting policy.

HUSKY INJECTION MOLDING SYSTEMS LTD.
CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS OF US DOLLARS)

	July 31, 2003 (audited)	July 31, 2002 (audited)
ASSETS		
Current		
Cash and cash equivalents	**72,730**	48,176
Marketable securities	**49,966**	-
Accounts receivable	**108,518**	86,681
Income taxes receivable	**466**	4,356
Inventories	**138,431**	135,595
Prepaid expenses and other assets	**7,037**	8,434
Future income tax assets	**16,492**	19,096
Total current assets	**393,640**	302,338
Cross currency swap receivable	**32,028**	28,481
Capital assets, net	**371,459**	372,348
Total assets	**797,127**	703,167
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued charges	**192,719**	140,733
Customers' deposits	**33,731**	60,062
Current portion of long-term debt	**3,195**	2,337
Total current liabilities	**229,645**	203,132
Cross currency swap payable	**29,032**	29,032
Long-term debt	**165,856**	154,706
Employee future benefits	**10,008**	7,560
Future income tax liabilities	**5,771**	207
Total liabilities	**440,312**	394,637
Shareholders' equity		
Share capital	**132,994**	131,971
Retained earnings	**223,821**	176,559
Total shareholders' equity	**356,815**	308,530
Total liabilities and shareholders' equity	**797,127**	703,167

HUSKY INJECTION MOLDING SYSTEMS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS OF US DOLLARS)

	(unaudited) Three Months Ended		(audited) Year Ended	
	July 31, 2003	July 31, 2002	**July 31, 2003**	July 31, 2002
OPERATING ACTIVITIES				
Net earnings (loss) for the period	**14,015**	5,366	**47,262**	(14,227)
Add (deduct) items not affecting cash				
Depreciation	**11,757**	11,976	**46,901**	46,193
Amortization	**127**	224	**548**	592
Loss on disposal of capital assets	**1,185**	750	**1,219**	1,322
Increase in employee future benefits	**1,199**	(8)	**2,448**	354
Future income taxes	**(1,961)**	(2,302)	**8,168**	(9,833)
	26,322	16,006	**106,546**	24,401
Net decrease in non-cash working capital balances related to operations	**3,889**	28,421	**9,295**	34,795
Cash provided by operating activities	**30,211**	44,427	**115,841**	59,196
INVESTING ACTIVITIES				
Additions to capital assets	**(15,630)**	(8,126)	**(47,651)**	(22,591)
Net increase (decrease) in accounts payable and accrued charges related to capital asset additions	**1,749**	1,662	**(1,284)**	(1,428)
Cash used for capital asset additions	**(13,881)**	(6,464)	**(48,935)**	(24,019)
Proceeds from sale of capital assets	**390**	12	**814**	132
Cash used in investing activities	**(13,491)**	(6,452)	**(48,121)**	(23,887)
FINANCING ACTIVITIES				
Additional long-term debt	**-**	2,323	**8,672**	12,323
Repayment of long-term debt	**(804)**	(544)	**(2,895)**	(22,016)
Purchase of marketable securities	**(49,966)**	-	**(49,966)**	-
Issue of common shares	**58**	143	**1,023**	464
Cash provided by (used in) financing activities	**(50,712)**	1,922	**(43,166)**	(9,229)
Net increase (decrease) in cash and cash equivalents during the period	**(33,992)**	39,897	**24,554**	26,080
Cash and cash equivalents, beginning of period	**106,722**	8,279	**48,176**	22,096
Cash and cash equivalents, end of period	**72,730**	48,176	**72,730**	48,176
Supplementary cash flow information				
Cash income taxes paid (received), net	**424**	(2,148)	**1,835**	3,060
Cash interest paid (received), net	**(155)**	102	**8,934**	11,116

HUSKY INJECTION MOLDING SYSTEMS LTD.
SEGMENTED INFORMATION

(IN THOUSANDS OF US DOLLARS)

Three Months Ended July 31, 2003 (unaudited)

	Service and Sales territories						
	North America	**Latin America**	**Europe**	**Asia Pacific**	**Manufacturing operations**	**Eliminations & other (i)**	**Total**
External sales	**100,869**	**28,170**	**71,063**	**49,452**	**-**	**-**	**249,554**
Intersegment sales	**-**	**-**	**-**	**-**	**187,731**	**(187,731)**	**-**
Total sales	**100,869**	**28,170**	**71,063**	**49,452**	**187,731**	**(187,731)**	**249,554**
Gross profit	**15,927**	**4,448**	**7,200**	**7,404**	**19,359**	**7,316**	**61,654**
Depreciation and amortization	**890**	**240**	**699**	**221**	**8,477**	**1,357**	**11,884**
Capital asset additions	**217**	**121**	**593**	**3,070**	**10,626**	**1,003**	**15,630**
Total assets	**106,932**	**28,329**	**107,737**	**49,101**	**325,211**	**179,817**	**797,127**

Three Months Ended July 31, 2002 (unaudited)

	Service and Sales territories						
	North America	Latin America	Europe	Asia Pacific	Manufacturing operations	Eliminations & other (i)	Total
External sales	73,394	18,978	54,408	28,638	-	-	175,418
Intersegment sales	-	-	-	-	136,409	(136,409)	-
Total sales	73,394	18,978	54,408	28,638	136,409	(136,409)	175,418
Gross profit	13,575	3,668	6,649	5,677	9,356	2,835	41,760
Depreciation and amortization	1,385	238	528	125	8,589	1,335	12,200
Capital asset additions	75	159	257	106	6,630	899	8,126
Total assets	93,924	36,166	102,126	29,773	333,922	107,256	703,167

Year Ended July 31, 2003 (audited)

	Service and Sales territories						
	North America	**Latin America**	**Europe**	**Asia Pacific**	**Manufacturing operations**	**Eliminations & other (i)**	**Total**
External sales	**339,021**	**83,375**	**238,146**	**155,110**	**-**	**-**	**815,652**
Intersegment sales	**-**	**-**	**-**	**-**	**671,222**	**(671,222)**	**-**
Total sales	**339,021**	**83,375**	**238,146**	**155,110**	**671,222**	**(671,222)**	**815,652**
Gross profit	**57,744**	**12,107**	**25,071**	**26,682**	**90,739**	**5,477**	**217,820**
Depreciation and amortization	**4,769**	**1,052**	**2,586**	**716**	**33,177**	**5,149**	**47,449**
Capital asset additions	**563**	**365**	**1,795**	**8,506**	**26,008**	**10,414**	**47,651**
Total assets	**106,932**	**28,329**	**107,737**	**49,101**	**325,211**	**179,817**	**797,127**

Year Ended July 31, 2002 (audited)

	Service and Sales territories						
	North America	Latin America	Europe	Asia Pacific	Manufacturing operations	Eliminations & other (i)	Total
External sales	251,742	73,569	166,328	89,307	-	-	580,946
Intersegment sales	-	-	-	-	459,219	(459,219)	-
Total sales	251,742	73,569	166,328	89,307	459,219	(459,219)	580,946
Gross profit	44,684	11,343	22,319	16,331	23,539	(1,303)	116,913
Depreciation and amortization	5,406	747	2,074	578	33,017	4,963	46,785
Capital asset additions	1,097	1,766	461	396	17,372	1,499	22,591
Total assets	93,924	36,166	102,126	29,773	333,922	107,256	703,167

(i) Eliminations and other includes Corporate activities and assets not attributable to the operating segments.

External sales to customers in Canada and the United States for the three months ended July 31, 2003 were $6,417 (2002 - $4,001) and $94,452 (2002 - $69,393), respectively. External sales to customers in Canada and the United States for the year ended July 31, 2003 were $22,347 (2002 - $20,200) and $316,674 (2002 - $231,542), respectively.

Capital assets in Canada, the United States and Luxembourg as at July 31, 2003 were $138,570 (2002 - $138,384), $105,197 (2002 - $108,852) and $100,781 (2002 - $105,689), respectively.

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