CONFIDENTIAL INFORMATION MEMORANDUM

Initial Public Offering and Secondary Offering — *June 1998*

primetech

Primetech Electronics Inc.
Approximately $40 Million
$9.00 to $11.00 per Common Share

INVESTMENT HIGHLIGHTS

- **Large and Rapidly Growing Electronics Manufacturing Services (EMS) Industry**
- **Advanced Business Process Management System which Enables High Quality, Low Cost and Prompt Delivery of EMS Services**
- **Long-Term and Growing Relationships with Leading OEMs**
- **Significant Sales and Net Income Growth Combined with Superior Profitability:**
  - **— From 1994 to 1997, sales increased at a compound annual growth rate of 73%**
  - **— From 1994 to 1997, net income increased at a compound annual growth rate of 152%**
- **Focused Growth Strategy Through Further Integration with OEMs and Acquisitions**
- **Experienced Management Team to Implement Corporate Strategy**

SCHEDULE OF INFORMATION MEETINGS

City	Date	Time	Location	Room
Vancouver	June 22, 1998	1:15 pm	The Four Seasons	Arbutus
Toronto	June 25, 1998	4:15 pm	The Toronto Hilton	Toronto III
Montreal	June 26, 1998	12:15 pm	Le Westin Mont-Royal	Salon Printemps

CIBC WOOD GUNDY SECURITIES INC.

YORKTON SECURITIES INC. **MIDLAND WALWYN CAPITAL INC.**

LÉVESQUE BEAUBIEN GEOFFRION INC.

[insert picture]

[insert picture]

SUMMARY OF THE OFFERING

Issuer:	Primetech Electronics Inc. (''Primetech'' or the ''Company'').
Total Offering:	Approximately ● Common Shares.
Amount:	New Issue: Approximately $30 million. Secondary Offering: Approximately $10 million.
Price:	Approximately $9.00 - $11.00 per Common Share.
Use of Proceeds:	The net proceeds of the offering to be received by the Company will be used as to approximately $3.0 million to repay indebtedness, as to approximately $3.0 million for planned capital expenditures and the balance will be used for expansion of operations, including acquisitions, and for working capital purposes.
Selling Shareholders:	Selling Shareholders are expected to sell approximately 10% of their current respective holdings of Common Shares.
Over-Allotment Option:	The Underwriters have an option to purchase from certain selling shareholders up to an additional 15% of the Common Shares offered under the New Issue and Secondary Offering.
Shares Outstanding:	Immediately prior to the closing of this offering, the Company will have 10,144,736 Common Shares outstanding.
Dividends:	The Company's current intention is to reinvest its earnings to finance the growth and development of its business.
Eligibility for Investment:	Eligible under certain statutes as detailed in the preliminary prospectus and for RRSPs, RRIFs and DPSPs.
QSSP Eligibility:	The Company has requested an advance income tax ruling from the ministère du Revenu du Québec to the effect that Common Shares offered hereunder will constitute shares which may be included as part of the stock savings plan under the *Taxation Act* (Quebec).
Estimated Timing:	Pricing: Expected during the week of June 29, 1998. Closing: Expected during the week of July 6, 1998.

PRIMETECH ELECTRONICS INC.

Primetech provides electronics manufacturing services (EMS) to major original equipment manufacturers (OEMs) in the communications, computer and consumer electronics industries. The Company's principal long-term relationships include Newbridge Networks Corporation (since 1987), Apple Computer, Inc. (since 1990) and Sun Microsystems, Inc. (since 1991).

Primetech possesses the engineering and manufacturing capabilities to offer its customers low cost, high quality, rapid time to market, production flexibility and short delivery cycles. The Company offers design, prototype, assembly and testing of printed circuit boards and subsystems, as well as full system integration. In order to provide turnkey solutions for its customers, the Company also offers enhanced services such as new product introduction processes, advanced materials management and manufacturing technology, testing, packaging and distribution services and after-sales support. In its assembly operations, Primetech offers pin through-hole technology and advanced surface mount technologies (SMT) including ball grid array and fine pitch SMT manufacturing processes.

Primetech aims to increase its presence in the global EMS industry and enhance its profitability by pursuing a focused strategy:

i) develop and maintain long-term relationships with OEMs and increase integration with these OEMs;
ii) acquire additional manufacturing facilities and expand its customer base;
iii) maintain leadership in business process management;
iv) continue to implement advanced manufacturing process technologies; and
v) attract and retain qualified employees.

INVESTMENT HIGHLIGHTS

Large and Rapidly Growing EMS Industry

- Technology Forecasters Inc. (TFI) estimates that the EMS industry will grow at a compound annual growth rate (CAGR) of 25%, with industry revenue expected to reach US$178 billion by the year 2001.

[Graph 1]

- OEMs are becoming increasingly dependent on outsourcing and are using a greater number of services offered by EMS providers such as product design, materials management, prototyping, testing, distribution and full system assembly.
- According to TFI, the top-ranked drivers for OEMs to outsource are cost savings, additional capacity and greater focus on core competencies.
- The percentage of electronics cost of goods sold which is outsourced for manufacture is estimated by TFI to increase from approximately 14% in 1997 to 26% in 2001.

INVESTMENT HIGHLIGHTS (CONT'D)

Advanced Business Process Management System which Enables High Quality, Low Cost and Prompt Delivery of EMS Services

- Primetech's leadership in business process management is achieved through its total quality management approach, the Company's implementation of an integrated management information system and Primetech's flexible manufacturing set-up.
- Primetech's business process management system has increased the Company's profitability and reduced cycle times through:
  - — higher quality levels (99.85% product acceptance rate for the twelve months ended March 31, 1998) and correspondingly lower rework costs;
  - — higher inventory turns (13 versus the industry average of eight, according to TFI) which results in lower overhead costs and inventory obsolescence costs;
  - — efficient utilization of equipment and facilities, resulting in lower overhead costs; and
  - — greater manufacturing flexibility which permits shorter production runs.
- Primetech believes it has achieved superior EBITDA and net income margins as compared to most of its public comparables, due to application of its advanced business process management system.

Primetech Versus Comparable Companies
Last Twelve Months EBITDA Margins

[Graph 2]

Long-Term and Growing Relationships with Leading OEMs

- Primetech's three largest customers (Apple Computer, Newbridge Networks, and Sun Microsystems) have been important strategic partners of the Company for an average of eight years.
- Primetech strives to become a virtual manufacturing arm of its customers by assigning teams to interact with each OEM on a regular basis and by dedicating manufacturing cells to these OEMs.
- To date, manufacturing capacity added to Primetech's current facility has been absorbed by its existing customers.
- Direct and indirect sales to its three largest OEM customers have increased on average at a CAGR of 107% over the last three years.
- Primetech has the world supply mandate for over 250 products it manufactures for these three OEMs.
- Customer vendor rating reports received from its largest customers gave Primetech perfect scores for flexibility and lead-time performance.

INVESTMENT HIGHLIGHTS (CONT'D)

Significant Sales and Net Income Growth Combined with Superior Profitability

- Primetech's sales have grown at a CAGR of 73% over the past three years, to $68.9 million in fiscal 1997.
- Primetech's net income from EMS operations has increased at a CAGR of 152% over the past three years, to $4.6 million in fiscal 1997.
- For the six months ended March 31, 1998, net income from EMS operations was $4.3 million, almost twice the amount for the same period during the previous fiscal period.

Sales and Net Income from EMS Operations
($ millions)

[Graph 3]

Focused Growth Strategy Through Further Integration with OEMs and Acquisitions

- Primetech strives to provide more value-added services and more complex products to its customers, in order to enhance integration with these customers. Primetech seeks to increase the proportion of sales from turnkey solutions from the current level of 87%.
- The Company intends to target strategically located facilities which will position the Company to further improve its share of business from its existing customers and attract new customers.
- Primetech intends to target businesses with approximate sales of $40 to $100 million that would benefit from the implementation of Primetech's business process management system.

Experienced Management Team to Implement Corporate Strategy

- John McAllister, the Company's President and Chief Executive Officer and a principal shareholder, co-founded Primetech in 1976.
- Gordon Gray, the Company's Vice-President and a principal shareholder, has been an employee of Primetech for over 15 years.
- The founders and the employees of Primetech as a group will own approximately 63% of the total shares outstanding after this offering, without giving effect to the exercise of the over-allotment option.

PRICING RELATIVE TO COMPARABLE COMPANIES[1][2]

	Fiscal Year End	Share Price	Market Cap	P/E LTM	P/E FY1E[3]	LTM Margins EBITDA	LTM Margins Net Income	2 Year CAGR Sales	2 Year CAGR EPS	Inventory Turnover[4]
		29-May-98	(MM)							
ACT Manufacturing	Dec-97	$ 8.75	$ 79.3	NEG	**51.5x**	NEG	NEG	51.3%	NEG	5.4x
Altron	Dec-97	$11.06	$ 172.0	12.9x	10.8x	16.1%	7.7%	9.5%	NEG	5.7x
Benchmark Electronics	Dec-97	$20.19	$ 233.8	15.0x	14.8x	10.8%	4.3%	82.7%	32.2%	5.2x
CMC Industries	Jul-97	$ 9.13	$ 68.0	27.3x	16.3x	2.5%	0.8%	21.9%	**369.0%**	7.9x
D*I*I Group	Dec-97	$18.81	$ 482.2	14.4x	12.4x	10.2%	4.2%	40.1%	15.2%	10.7x
Flextronics International	Mar-98	$39.63	$ 766.2	22.4x	16.4x	7.4%	3.0%	39.5%	33.7%	7.1x
IEC Electronics	Sep-97	$ 7.31	$ 55.1	9.8x	**243.8x**	6.5%	1.8%	42.9%	20.2%	6.5x
Jabil Circuit	Aug-97	$34.06	$1,266.1	18.2x	17.7x	11.5%	6.0%	32.2%	**144.1%**	10.6x
Plexus Corp.	Sep-97	$21.50	$ 317.9	19.2x	18.4x	8.7%	4.6%	16.8%	53.7%	6.7x
Xetel	Mar-98	$ 4.50	$ 40.4	**64.3x**	11.0x	3.3%	0.6%	NEG	NEG	7.4x
C-MAC Industries	Dec-97	$27.15	$ 701.0	33.1x	27.7x	10.7%	4.9%	24.9%	57.1%	6.0x
Average				**19.1x**	**16.2x**	**8.8%**	**3.8%**	**36.2%**	**35.3%**	**7.2x**
Primetech	Sep-97	$ 9.00	$ 121.3[5]	13.6x[6]	n/a	15.1%	8.3%	107.2%	134.5%	12.6x
		$11.00	$ 141.6	16.6x	n/a					

Averages above exclude highlighted outliers.

(1) All values are U.S. dollars, except for C-MAC Industries and Primetech.

(2) Source: Company annual reports and unaudited quarterly reports.

(3) EPS estimates are based on recent IBES reports.

(4) Inventory turnover equals cost of goods sold for the last fiscal year divided by average inventory for that year.

(5) Assumes a $30 million treasury issue of common shares.

(6) LTM EPS is based on 10.1 million pre-issue shares outstanding.

SELECTED FINANCIAL INFORMATION

Income Statement Data:

($ thousands, except earnings per share)

	Six months ended March 31, 1998	Six months ended March 31, 1997	12 months ended September 30, 1997	14 months ended September 30, 1996	12 months ended July 31, 1995
	(unaudited)	(unaudited)			
Sales	$43,361	$31,696	$68,909	$42,301	$16,047
Cost of Sales	34,426	26,625	57,573	36,237	12,532
Gross Margin	8,935	5,071	11,336	6,064	3,515
Gross Margin (%)	20.6%	16.0%	16.5%	14.3%	21.9%
Selling, General and Administrative Expenses	2,242	1,680	4,169	4,391	2,233
Other Expenses	401	268	625	278	152
Income Before Income Taxes(1)	6,292	3,123	6,542	1,395	1,130
Provision for Income Taxes	1,970	935	1,956	313	334
Net Income(1)	$ 4,322	$ 2,188	$ 4,586	$ 1,082	$ 796
Net Income (%)	10.0%	6.9%	6.7%	2.6%	5.0%
EPS(1)(2)	$ 0.43	$ 0.21	$ 0.44	$ 0.11	$ 0.08
EBITDA(1)	$ 7,662	$ 4,178	$ 8,656	$ 3,108	$ 1,950

Balance Sheet Data:

($ thousands)

	As at March 31, 1998(1)	As at September 30, 1997	As at September 30, 1996
	(unaudited)		
Working Capital	$ 4,277	$ 442	$ 1,378
Capital Assets	5,137	4,521	4,390
Total Assets	25,388	24,732	17,701
Total Secured Debt	5,300	4,086	4,753
Shareholders' Equity	8,880	4,790	5,469

(1) Data is pro forma the recent reorganization. During the above periods, Primetech had losses or gains from discontinued operations.

(2) EPS is calculated pro forma the recent reorganization and after giving effect to the share subdivision and issuance of employee shares.

FOR FURTHER INFORMATION, PLEASE CONTACT

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