

# INTERNATIONAL ROAD DYNAMICS INC.

## Consolidated Balance Sheet

May 31, 2002, with comparative figures for November 30, 2001

"Unaudited"

	May 31 2002	November 30 2001
<b>Assets</b>		
Current assets:		
Cash	\$ 378,592	\$ 395,657
Accounts receivable	12,794,439	12,376,268
Inventory	1,807,230	1,682,386
Investment tax credits recoverable	2,359,000	2,114,000
Prepaid expenses and deposits	335,616	263,882
	17,674,877	16,832,193
Deferred project costs	362,922	458,766
Capital assets	3,420,469	2,424,623
Intangible assets	382,544	417,732
	\$ 21,840,812	\$ 20,133,314
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities:		
Short-term loans	\$ 2,816,437	\$ 2,304,602
Accounts payable and accrued liabilities	2,504,958	2,608,315
Deferred revenue	463,000	497,000
Future income taxes	2,719,500	2,129,500
Current portion of long-term debt	210,000	200,000
	8,713,895	7,739,417
Long-term debt - net	422,378	539,629
Deferred revenue	457,321	577,886
Future income taxes	137,000	137,000
	9,730,594	8,993,932
Shareholders' Equity:		
Share capital	11,346,604	11,114,860
Retained earnings	763,614	24,522
	12,110,218	11,139,382
	\$ 21,840,812	\$ 20,133,314

# INTERNATIONAL ROAD DYNAMICS INC.

## Interim Consolidated Statement of Earnings and Deficit

"Unaudited"

	Three months ended May 31		Six months ended May 31	
	2002	2001	2002	2001
Sales	\$ 7,551,480	\$ 7,409,324	\$ 13,850,587	\$ 12,843,611
Cost of sales	4,708,142	4,763,973	8,650,026	8,315,591
	2,843,338	2,645,351	5,200,561	4,528,020
Administrative and marketing expenses	1,680,849	1,349,491	3,106,134	2,463,065
Operating earnings	1,162,489	1,295,860	2,094,427	2,064,955
Research and development	255,316	230,038	426,087	464,883
Earnings before undernoted items	907,173	1,065,822	1,668,340	1,600,072
Other expenses (income)				
Amortization	158,800	127,740	304,696	255,480
Interest on short-term debt	41,760	37,914	75,591	78,084
Interest on long-term debt	12,219	15,372	25,285	40,614
Investment tax credits recovered	-	(200,000)	-	(200,000)
Interest and other income	(33,237)	(9,715)	(67,684)	(62,360)
	179,542	(28,689)	337,888	111,818
Net earnings for the period before income taxes	727,631	1,094,511	1,330,452	1,488,254
Provision for income taxes	325,000	471,000	590,000	641,000
Net earnings for the period after income taxes	402,631	623,511	740,452	847,254
Retained Earnings (Deficit), beginning of period	360,983	(1,742,738)	24,522	(1,944,948)
Shares repurchased in excess of book value	-	(3,745)	(1,360)	(25,278)
Retained Earnings (Deficit), end of period	\$ 763,614	\$ (1,122,972)	\$ 763,614	\$ (1,122,972)
Earnings per share - basic	\$ 0.03	\$ 0.05	\$ 0.06	\$ 0.07
- diluted	\$ 0.03	\$ 0.05	\$ 0.05	\$ 0.06

# INTERNATIONAL ROAD DYNAMICS INC.

## Interim Consolidated Statement of Cash Flows

"Unaudited"

	Three months ended May 31		Six months ended May 31	
	2002	2001	2002	2001
Cash provided by (used in):				
Operations:				
Net earnings	\$ 402,631	\$ 623,511	\$ 740,452	\$ 847,254
Items not involving cash:				
Amortization	158,800	127,740	304,696	255,480
Deferred project costs amortized	48,932	43,810	95,844	87,235
Issue of common shares for expenses	16,149	22,995	30,691	59,870
Provision for future income taxes	325,000	471,000	590,000	641,000
Change in non-cash working capital:				
Accounts receivable	(438,616)	(2,542,890)	(418,171)	25,014
Investment tax credits recoverable	(130,000)	(275,000)	(245,000)	(325,000)
Inventory	99,311	(429,457)	(124,844)	(521,437)
Prepaid expenses and deposits	(108,645)	50,547	(71,734)	(66,320)
Accounts payable and accrued liabilities	390,382	1,170,692	(103,357)	388,318
Deferred revenue	(113,029)	-	(154,565)	(80,670)
	650,915	(737,052)	644,012	1,310,744
Financing:				
Net short-term loans	(210,454)	1,444,382	511,835	191,122
Issuance (repayment) of long-term debt	(54,452)	(155,303)	(107,251)	(211,455)
Issue share capital	46,477	600	206,166	35,599
	(218,429)	1,289,679	610,750	15,266
Investing:				
Additions to land and buildings	(580,593)	(175,000)	(763,273)	(175,000)
Additions to capital equipment	(433,239)	(146,346)	(501,269)	(249,456)
Additions to intangible assets	(812)	(8,991)	(812)	(16,995)
Repurchase share capital	-	(38,396)	(6,473)	(324,391)
	(1,014,644)	(368,733)	(1,271,827)	(765,842)
Increase (decrease) in cash	(582,158)	183,894	(17,065)	560,168
Cash, beginning of period	960,750	514,312	395,657	138,038
Cash, end of period	\$ 378,592	\$ 698,206	\$ 378,592	\$ 698,206

# INTERNATIONAL ROAD DYNAMICS INC.

## Notes to Interim Consolidated Financial Statements

For the Six Months Ended May 31, 2002, with comparative figures for November 30, 2001  
"Unaudited"

### 1. Significant accounting policies

These interim financial statements are based on the same accounting policies as, and should be read in conjunction with the most recent audited annual financial statements as of November 30, 2001.

### 2. Share capital:

	Number of shares	\$ amount
Balance, November 30, 2001	12,861,646	11,114,860
Shares issued in exchange for expenses	24,270	30,691
Shares issued for employee stock options exercised	312,467	206,150
Shares repurchased and returned to treasury	(5,900)	(5,097)
	<u>13,192,483</u>	<u>11,346,604</u>

There are currently 1,865,600 stock options outstanding; each of which may be exercised to purchase one common share of the Company at prices ranging from \$0.60 to \$2.75 per share.