

INTERNATIONAL ROAD DYNAMICS INC.

Consolidated Balance Sheet

May 31, 2003, with comparative figures for November 30, 2002

"Unaudited"

	May 31 2003	November 30 2002
Assets		
Current assets:		
Cash	\$ 536,319	\$ 356,101
Accounts receivable	9,817,112	11,421,998
Inventory	2,018,119	2,063,418
Investment tax credits recoverable	2,024,000	1,689,000
Prepaid expenses and deposits	130,574	86,371
	14,526,124	15,616,888
Deferred project costs	328,443	153,560
Capital assets	3,912,213	3,775,543
Intangible assets	318,869	355,390
	\$ 19,085,649	\$ 19,901,381
Liabilities and Shareholders' Equity		
Current Liabilities:		
Short-term loans	\$ 898,330	\$ 133,332
Accounts payable and accrued liabilities	1,726,761	2,613,596
Current income taxes	5,087	25,500
Deferred revenue	280,000	328,000
Future income taxes	1,630,000	1,698,000
Current portion of long-term debt	75,000	100,000
	4,615,178	4,898,428
Long-term debt - net	1,201,307	1,243,629
Deferred revenue	545,117	674,679
Future income taxes	95,000	95,000
	6,456,602	6,911,736
Shareholders' Equity:		
Share capital	11,460,116	11,636,948
Retained earnings	1,168,931	1,352,697
	12,629,047	12,989,645
	\$ 19,085,649	\$ 19,901,381

INTERNATIONAL ROAD DYNAMICS INC.

Interim Consolidated Statement of Operations and Deficit

"Unaudited"

	Three months ended May 31		Six months ended May 31	
	2003	2002	2003	2002
Sales	\$ 7,007,977	\$ 7,551,480	\$ 11,761,453	\$ 13,850,587
Cost of sales	4,431,458	4,708,142	7,969,340	8,650,026
	2,576,519	2,843,338	3,792,113	5,200,561
Administrative and marketing expenses	1,643,953	1,680,849	3,198,714	3,106,134
Operating earnings	932,566	1,162,489	593,399	2,094,427
Research and development	203,236	255,316	400,846	426,087
Earnings before undernoted items	729,330	907,173	192,553	1,668,340
Other expenses (income)				
Amortization	178,861	158,800	344,994	304,696
Interest on short-term debt	5,778	41,760	17,482	75,591
Interest on long-term debt	20,688	12,219	43,494	25,285
Interest and other income	(5,433)	(33,237)	(8,465)	(67,684)
	199,894	179,542	397,505	337,888
Net earnings for the period before income taxes	529,436	727,631	(204,952)	1,330,452
Provision for income taxes	202,000	325,000	(68,000)	590,000
Net earnings (loss) for the period	327,436	402,631	(136,952)	740,452
Retained earnings, beginning of period	870,323	360,983	1,352,697	24,522
Shares repurchased in excess of book value	(28,828)	-	(46,814)	(1,360)
Retained earnings, end of period	\$ 1,168,931	\$ 763,614	\$ 1,168,931	\$ 763,614
Earnings per share - basic	\$ 0.02	\$ 0.03	\$ (0.01)	\$ 0.06
- diluted	\$ 0.02	\$ 0.03	\$ (0.01)	\$ 0.05

INTERNATIONAL ROAD DYNAMICS INC.

Interim Consolidated Statement of Cash Flows

"Unaudited"

	Three months ended May 31		Six months ended May 31	
	2003	2002	2003	2002
Cash provided by (used in):				
Operations:				
Net earnings	\$ 327,436	\$ 402,631	\$ (136,952)	\$ 740,452
Items not involving cash:				
Amortization	178,861	158,800	344,994	304,696
Deferred project costs amortized	-	48,932	-	95,844
Issue of common shares for expenses	-	16,149	15,319	30,691
Provision for future income taxes	202,000	325,000	(68,000)	590,000
	708,297	951,512	155,361	1,761,683
Change in non-cash working capital:				
Accounts receivable	(1,609,117)	(438,616)	1,604,886	(418,171)
Investment tax credits recoverable	(165,000)	(130,000)	(335,000)	(245,000)
Inventory	326,529	99,311	45,299	(124,844)
Prepaid expenses and deposits	(46,682)	(108,645)	(44,203)	(71,734)
Accounts payable and accrued liabilities	(553,712)	390,382	(886,835)	(103,357)
Current income taxes payable	(20,413)	-	(20,413)	-
Deferred revenue	(106,207)	(113,029)	(177,562)	(154,565)
	(1,466,305)	650,915	341,533	644,012
Financing:				
Net short-term loans	831,666	(210,454)	764,998	511,835
Issuance (repayment) of long-term debt	(19,811)	(54,452)	(67,322)	(107,251)
Issue share capital	20,900	46,477	30,400	206,166
Repurchase share capital	(190,374)	-	(269,365)	(6,473)
	642,381	(218,429)	458,711	604,277
Investing:				
Deferred project costs	(2,947)	-	(174,883)	-
Additions to land and buildings	(36,630)	(580,593)	(59,884)	(763,273)
Additions to capital equipment	(256,397)	(433,239)	(385,259)	(501,269)
Additions to intangible assets	-	(812)	-	(812)
	(295,974)	(1,014,644)	(620,026)	(1,265,354)
Increase (decrease) in cash	(1,119,898)	(582,158)	180,218	(17,065)
Cash, beginning of period	1,656,217	960,750	356,101	395,657
Cash, end of period	\$ 536,319	\$ 378,592	\$ 536,319	\$ 378,592
Supplemental cash flow disclosure:				
Interest paid	\$ 26,466	\$ 54,355	\$ 60,822	\$ 100,246

INTERNATIONAL ROAD DYNAMICS INC.

Notes to Interim Consolidated Financial Statements

For the Six Months Ended May 31, 2003, with comparative figures for November 30, 2002

"Unaudited"

1. Significant accounting policies

The interim consolidated financial statements of International Road Dynamics Inc. have been prepared by management and are based on the same accounting policies as, and should be read in conjunction with the most recent audited annual consolidated financial statements as of November 30, 2002. Certain footnote information has been condensed or omitted where there has been no material change from the most recent annual audited consolidated financial statements.

2. Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currency are translated at exchange rates prevailing at the balance sheet date. Revenue and expenses are translated into Canadian Dollars using the exchange rate on the date of the transaction. The resulting gains or losses are included in the statement of earnings. During the quarter the Company recorded an exchange loss of \$366,468 and a year to date exchange loss of \$485,024.

3. Share capital:

	Number of shares	\$ amount
Balance, November 30, 2002	13,657,796	11,636,948
Shares issued in exchange for expenses	12,358	15,319
Shares issued for employee stock options exercised	40,000	30,400
Shares repurchased and returned to treasury	(262,000)	(222,551)
	<u>13,448,154</u>	<u>11,460,116</u>

There are currently 889,000 stock options outstanding; each of which may be exercised to purchase one common share of the Company at prices ranging from \$0.60 to \$1.60 per share.