

INTERNATIONAL ROAD DYNAMICS INC.

Consolidated Balance Sheet

November 30, 2003 and 2002

	2003	2002
Assets		
Current assets:		
Cash	\$ 921,943	\$ 356,101
Accounts receivable	12,557,929	11,421,998
Inventory	4,555,876	2,063,418
Investment tax credits recoverable	715,000	785,000
Prepaid expenses and deposits	189,917	86,371
	18,940,665	14,712,888
Investment tax credits recoverable	1,739,000	904,000
Deferred project costs	-	153,560
Capital assets	4,578,574	3,775,543
Intangible assets	285,698	355,390
	\$ 25,543,937	\$ 19,901,381
Liabilities and Shareholders' Equity		
Current Liabilities:		
Short-term loans	\$ 4,835,000	\$ 133,332
Accounts payable and accrued liabilities	3,354,169	2,613,596
Current income taxes	89,666	25,500
Deferred revenue	265,480	328,000
Future income taxes	881,000	1,281,000
Current portion of long-term debt	67,900	100,000
	9,493,215	4,481,428
Long-term debt - net	1,199,892	1,243,629
Deferred revenue	575,729	674,679
Future income taxes	744,000	512,000
	12,012,836	6,911,736
Shareholders' Equity:		
Share capital	11,571,863	11,636,948
Retained earnings	1,959,238	1,352,697
	13,531,101	12,989,645
	\$ 25,543,937	\$ 19,901,381

INTERNATIONAL ROAD DYNAMICS INC.

Consolidated Statement of Earnings

For the year ended November 30

	2003	2002
Sales	\$ 28,287,536	\$ 28,945,472
Cost of sales	18,338,066	18,799,549
	9,949,470	10,145,923
Administrative and marketing expenses	6,678,154	6,587,331
Operating earnings	3,271,316	3,558,592
Research and development	752,268	775,471
Earnings before undernoted items	2,519,048	2,783,121
Other expenses (income)		
Amortization	799,284	647,393
Interest on short-term debt	98,441	153,632
Interest on long-term debt	88,512	63,548
Foreigh exchange loss (gain)	1,005,406	(97,434)
Interest and other income	(27,150)	(71,078)
	1,964,493	696,061
Net earnings for the period before income taxes	554,555	2,087,060
Provision for (recovery of) income taxes	(109,186)	752,000
Net earnings for the period after income taxes	663,741	1,335,060
Retained earnings (deficit), beginning of period	1,352,697	24,522
Shares repurchased in excess of book value	(57,200)	(6,885)
Retained earnings, end of period	\$ 1,959,238	\$ 1,352,697
Earnings per share - basic	\$ 0.05	\$ 0.10
- diluted	\$ 0.05	\$ 0.10

INTERNATIONAL ROAD DYNAMICS INC.

Consolidated Statement of Cash Flows

For the year ended November 30

	2003	2002
Cash provided by (used in):		
Operations:		
Net earnings	\$ 663,741	\$ 1,335,060
Items not involving cash:		
Amortization	799,284	647,393
Deferred project costs amortized	-	305,206
Issue of common shares for expenses	51,990	56,384
Provision for future income taxes	(168,000)	(473,500)
Change in non-cash working capital:		
Accounts receivable	(678,563)	954,270
Investment tax credits recoverable	(765,000)	425,000
Inventory	635,711	(381,032)
Prepaid expenses and deposits	5,265	177,511
Accounts payable and accrued liabilities	649,955	5,281
Current income taxes payable	44,354	25,500
Deferred revenue	(161,470)	(72,207)
	<u>1,077,267</u>	<u>3,004,866</u>
Financing:		
Net short-term loans	4,701,668	(2,171,270)
Issuance of long-term debt	-	813,206
Repayment of long-term debt	(105,438)	(209,206)
Issue share capital	166,820	486,440
Repurchase share capital	(341,095)	(27,621)
	<u>4,421,955</u>	<u>(1,108,451)</u>
Investing:		
Additions to capital assets	(1,148,946)	(1,924,195)
Additions to intangible assets	-	(11,776)
Business acquisition - net of cash acquired	(3,784,434)	
	<u>(4,933,380)</u>	<u>(1,935,971)</u>
Increase (decrease) in cash	565,842	(39,556)
Cash, beginning of period	356,101	395,657
Cash, end of period	\$ 921,943	\$ 356,101
Supplemental cash flow disclosure:		
Interest paid	\$ 189,136	\$ 214,791
Income taxes paid	\$ 16,975	\$ 8,506