

INTERNATIONAL ROAD DYNAMICS INC.

Consolidated Balance Sheet

November 30, 2004, with comparative figures for November 30, 2003

| | 2004 | 2003 |
|---|---------------|---------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 632,823 | \$ 921,943 |
| Accounts receivable | 11,953,467 | 12,557,929 |
| Inventory | 5,191,353 | 4,555,876 |
| Investment tax credits recoverable | 474,000 | 715,000 |
| Prepaid expenses and deposits | 342,831 | 189,917 |
| | 18,594,474 | 18,940,665 |
| Investment tax credit recoverable | 2,900,000 | 1,739,000 |
| Property, plant and equipment | 4,576,853 | 4,578,574 |
| Intangible assets | 91,082 | 285,698 |
| | \$ 26,162,409 | \$ 25,543,937 |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities: | | |
| Short-term loans | \$ 6,294,275 | \$ 4,835,000 |
| Accounts payable and accrued liabilities | 3,185,569 | 3,354,169 |
| Current income taxes | 114,862 | 89,666 |
| Deferred revenue | 199,000 | 265,480 |
| Future income taxes | 506,000 | 881,000 |
| Current portion of long-term debt | 578,700 | 67,900 |
| | 10,878,406 | 9,493,215 |
| Long-term debt - net | 1,530,185 | 1,199,892 |
| Deferred revenue | 319,606 | 575,729 |
| Future income taxes | 610,000 | 744,000 |
| | 13,338,197 | 12,012,836 |
| Shareholders' Equity: | | |
| Share capital | 11,782,058 | 11,571,863 |
| Retained earnings | 1,042,154 | 1,959,238 |
| | 12,824,212 | 13,531,101 |
| | \$ 26,162,409 | \$ 25,543,937 |

INTERNATIONAL ROAD DYNAMICS INC.

Consolidated Statement of Operations and Retained Earnings

For the years ended November 30, 2004 and 2003

| | 2004 | 2003 |
|--|---------------|---------------|
| Sales | \$ 31,356,042 | \$ 28,287,536 |
| Cost of sales | 22,893,126 | 18,338,066 |
| | 8,462,916 | 9,949,470 |
| Administrative and marketing expenses | 7,574,050 | 6,678,154 |
| Operating earnings | 888,866 | 3,271,316 |
| Research and development | 1,015,078 | 752,268 |
| Earnings before undernoted items | (126,212) | 2,519,048 |
| Other expenses (income) | | |
| Foreign exchange loss (gain) | (90,992) | 1,005,406 |
| Amortization | 932,671 | 799,284 |
| Interest on short-term debt | 257,437 | 98,441 |
| Interest on long-term debt | 93,657 | 88,512 |
| Other (income) expense | (115,077) | (27,150) |
| Loss (income) from equity investment | 92,340 | - |
| | 1,170,036 | 1,964,493 |
| Net earnings (loss) before income taxes | (1,296,248) | 554,555 |
| Provision for income taxes | | |
| Current | 129,836 | - |
| Future (recovery) | (509,000) | (109,186) |
| | (379,164) | (109,186) |
| Net earnings (loss) for the year | (917,084) | 663,741 |
| Retained earnings, beginning of year | 1,959,238 | 1,352,697 |
| Shares repurchased in excess of book value | - | (57,200) |
| Retained earnings, end of year | \$ 1,042,154 | \$ 1,959,238 |
| Earnings per share - basic | \$ (0.07) | \$ 0.05 |
| - diluted | \$ (0.07) | \$ 0.05 |

INTERNATIONAL ROAD DYNAMICS INC.

Consolidated Statement of Cash Flows

For the years ended November 30, 2004 and 2003

| | 2004 | 2003 |
|---|--------------|-------------|
| Cash provided by (used in): | | |
| Operations: | | |
| Net earnings (loss) | \$ (917,084) | \$ 663,741 |
| Items not involving cash: | | |
| Amortization | 932,671 | 799,284 |
| Issue of common shares for expenses | 45,408 | 51,990 |
| Income (loss) from equity investment | 92,340 | - |
| Provision for future income taxes | (509,000) | (168,000) |
| | (355,665) | 1,347,015 |
| Change in non-cash working capital: | | |
| Accounts receivable | 573,894 | (678,563) |
| Investment tax credits recoverable | (920,000) | (765,000) |
| Inventory | (635,477) | 635,711 |
| Prepaid expenses and deposits | (152,914) | 5,265 |
| Accounts payable and accrued liabilities | (168,600) | 649,955 |
| Current income taxes payable | 25,196 | 44,354 |
| Deferred revenue | (322,603) | (161,470) |
| | (1,956,169) | 1,077,267 |
| Financing: | | |
| Net short-term loans | 1,459,275 | 4,701,668 |
| Increase in long-term debt | 1,000,000 | - |
| Repayment of long-term debt | (158,907) | (105,438) |
| Issue share capital | 164,787 | 166,820 |
| Repurchase share capital | - | (341,095) |
| | 2,465,155 | 4,421,955 |
| Investing: | | |
| Additions to property, plant and equipment | (736,334) | (1,148,946) |
| Equity investment | (61,772) | - |
| Business Acquisition - net of cash acquired | - | (3,784,434) |
| | (798,106) | (4,933,380) |
| Increase (decrease) in cash | (289,120) | 565,842 |
| Cash, beginning of year | 921,943 | 356,101 |
| Cash, end of year | \$ 632,823 | \$ 921,943 |
| Supplemental cash flow disclosure: | | |
| Income taxes paid | \$ 81,186 | \$ 16,975 |
| Interest paid | \$ 351,300 | \$ 189,136 |