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Email: microcap@telus.net

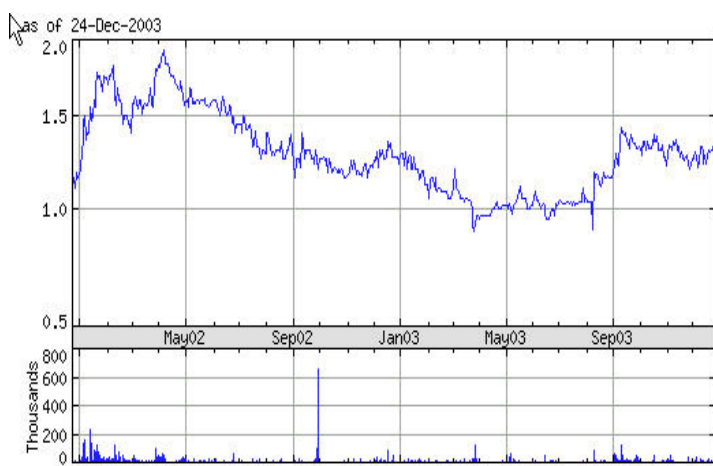
International Road Dynamics (IRD/TSX \$1.30)

www.irdinc.com

<http://finance.yahoo.com/q?s=ird.to&d=t>

Market Cap: Approx \$17 million Cdn

Revenue Estimate 2004: Approx. \$40 million Cdn



For over 20 years IRD has been a recognized world leader in the design and installation of customized solutions in the ITS Industry (Intelligent Transportation Systems). Combining it's proprietary technology with leading products from other manufactures (ie: Siemens and Kyocera), IRD supplies specialized vehicle and fleet monitoring systems (wireless and gps), weigh-in-motion systems, traffic data collection systems, and toll road systems.

A smallcap with excellent growth potential that presents an opportunity for strong capital gains over the next couple years without losing a lot of sleep at night. The company is very well managed and has a clean balance sheet and share structure.

In August 2003 IRD acquired (at a very attractive price), the assets and markets of the traffic and telematics business of German-based PAT GmbH located in Europe, the United States and Chile. The parent company of PAT was primarily a defense manufacturer that wanted to concentrate on it's core area of expertise. Although they spent millions of dollars making the PAT Traffic Division one of the most respected names in the industry, it did not fit with their core business. The acquisition should expand IRD's revenue into the range of \$40 million Cdn for 2004.

In the 3rd quarter, the company's earnings were approx. 7% of gross revenue. On Sales of \$40 million, a realistic earnings target for 2004 should be 7% or better. If we target for earnings of \$3 million annually or approx. \$0.23/share - it would be reasonable to hope for a multiple of 10 to 15 times earnings (**share price of \$2.30 to \$3.45**). It's difficult to value a MicroCap stock on earnings because often they'll trade higher or lower on pure speculation. Using this process with IRD however, gives us a realistic objective over 12 to 18 months.

MARKETS

While the bulk of IRD's sales come from the United States, they have excellent growth potential in Canada, Europe, South America, the Pacific Rim, and the Middle East. Independent studies have

shown that the market for ITS products in the U.S. alone will exceed \$200 Billion, and has been referred to as the “largest public works program in the history of the United States”.

The goals of ITS include highway efficiency, increased mobility, reduced congestion, improved safety, and enhanced

economic productivity. The company works closely with government agencies (like the recently announced contracts with the State of New York) and also large multi-national prime contractors.

So much has been said recently about the potential for companies doing business in China (where IRD is looking at new markets), but if you look at the statistics below, you will see where the opportunities in India may exceed that of China in coming years. The company has been signing some impressive contracts in India recently and the opportunities for growth in this region are very strong.

India’s Vital Statistics:

Although India occupies only 2.4% of the world's land area, it supports over 15% of the world's population. Only China has a larger population. The population of India in March 2001 stood at 1.02 Billion people. The vast majority of Indians, nearly 625 million, or 73.9 percent, in 1991 lived in what are called villages of less than 5,000 people or in scattered hamlets and other rural settlements

Indian Roads: Almost 2 million kilometers; 960,000 kilometers surfaced roads, and more than 1 million kilometers constructed of gravel, crushed stone, or earth. Fifty-three highways, almost 20,000 kilometers in total length, rated as national highways; carry about 40 percent of road traffic. Around 60 percent of all passenger traffic travels by road.

Each year India adds more people to the world’s population than any other country. In 1997, there were almost as many babies born in India (about 25 million) as in all of Sub-Saharan Africa and more than in China (21 million). India, will most likely surpass China in population size by about the middle of the next century. India’s population is currently growing at a rate (1.7 percent annually) about 70 percent higher than that of China and will continue growing faster than China for many years in the future.

Cost of Highway Congestion \$70 Billion and Growing

Traffic congestion now annually costs the U.S. economy almost \$70 billion in lost productivity and wasted motor fuel, and the average American driver over \$500 and 60 hours of personal time, according to a study released September 29 by the Texas Transportation Institute (TTI) at a Capitol Hill news conference.

Majority Public Support for Increased Road/Transit Investment Remains Solid

Despite record high gasoline prices, 69 percent of likely voters would be willing to pay nine cents more per day in user fees to finance road and bridge improvements, a new national poll taken Sept. 7-10 shows.

Nine cents per day is about the cost to the average motorist necessary to fund the six-year, \$375 billion TEA-21 reauthorization proposal being developed by the bipartisan leadership of the House Transportation & Infrastructure Committee.

More Media Back Increased Transportation Investment

Michigan's largest newspaper, the Detroit Free Press, urged the state's Congressional delegation to support a five cents-per-gallon increase in the federal highway user fee as part of the TEA-21 reauthorization bill in an Oct. 3 editorial. Such action, the paper said, "could save hundreds of lives through safety improvements, create nearly 37,000 jobs [in Michigan]."

Also last week, respected Washington political analyst Charlie Cook urged President Bush to get behind a big public works initiative "to rejuvenate the nation's economy." Cook wrote in the National Journal Oct. 4: "The fastest way to create jobs is through public works programs to rebuild the nation's decaying roads & bridges."

Eventually cities will set up traffic centers with display panels that show the traffic volume on intercity highways, telling how many minutes it will take to travel and recommend alternative routes, then send that information to vehicles' navigation systems. Turnpikes will eventually use a combination of technologies, including global positioning system satellites, the GSM cellular telephone communications standard, and microwave transmissions. Recently IRD integrated two leading technologies from **Siemens** and **Kyocera** to develop a product which enables vehicle fleet operators to monitor their drivers and equipment from virtually anywhere in North America.

IRD AREAS OF EXPERTISE

iTOLL has been designed to meet the changing requirements of the toll market, which call for simpler, more economical systems with standard computing and peripheral equipment and enhancements such as electronic payment, electronic vehicle identification (EVI) and digital video exception auditing.

Previously, toll collection systems have been either too expensive or too rudimentary for the needs of many clients in Latin America and Asia. The development of iTOLL overcomes both of these barriers, making fast, accurate automated toll collection and auditing affordable for toll operators everywhere.

Automated Vehicle Compliance Monitoring System (AVCMS)

The IRD Automated Vehicle Compliance Monitoring System (AVCMS) automatically collects truck movement information, eliminating the need and associated administrative burden for trucking companies to manually maintain and report truck logbook records. The AVCMS has been deployed to automate a government/industry partnership reporting program.

The AVCMS is based on Global Positioning Satellite (GPS) and Geographical Information Systems (GIS) technologies to automatically locate and track vehicles.

The geographical coordinates collected by the onboard equipment are integrated with other vehicle information such as total weight, tire pressure, and other measurable truck parameters.

The vehicle and geographical co-ordinate information is stored by the onboard unit and is automatically transferred to a Centralized Database Administration System (CDAS) using wireless communication networks. The CDAS processes this information, verifies that permit and road compliance criteria are satisfied and provides detailed reports to both government and industry partners.

The CDAS is flexible and can provide standard and custom reports, including fleet configurations or road usage for truck travel on predetermined routes where road usage or permit fees apply. These fees can be allocated to government jurisdictions according to road usage

IRD's **Driver Management Systems** provide fleet managers a powerful set of tools with which to monitor the behavior of drivers operating company vehicles. When drivers know they are being monitored, they drive more safely. Safe driving behaviour reduces fuel, maintenance, and insurance costs. IRD Driver Management Systems collect driver performance and vehicle operations data and provide concise reports, enabling objective tracking of driver performance.

IRD's primary involvement in **Commercial Vehicle Operations (CVO)** markets includes developing, designing, supplying, integrating, and installing Weigh-In-Motion (WIM) systems at truck weigh stations. The objective of a WIM system is to enhance weight enforcement operations by enabling low to high speed dynamic weighing to complement static weighing.

IRD integrates WIM technology with a combination of other technologies, including AVI systems, freeze frame cameras, fiber optic signs (fixed, changeable and fully variable), static scales, databases (varying from local to nationwide), lane control signals and other weigh station components.

CONTACT INFORMATION

International Road Dynamics Inc.
702-43rd Street East
Saskatoon, SK.
Canada S7K 3T9

Phone: 306.653.6600
Fax: 306.242.5599

President: Terry Bergan

I/R Inquiries: Francine Senecal-Lepage
franl@irdinc.com