



## INTERNATIONAL ROAD DYNAMICS INC.

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### **IRD ANNOUNCES THIRD QUARTER 2003 RESULTS** **Acquisition of Global ITS Operations to Enhance Future Performance**

**Saskatoon, September 25, 2003** - International Road Dynamics Inc. (IRD) announced today results for the three and nine months ended August 31, 2003.

#### **HIGHLIGHTS:**

- Company returns to profitability in second and third quarters of fiscal 2003
- Acquisition of global ITS business to make solid contribution going forward
- Improving North American market fundamentals, success in overseas markets and new products to also generate growth

IRD returned to profitability in the second and third quarters of fiscal 2003 despite challenging market conditions and a slow first quarter of the fiscal year. Net earnings for the three months ended August 31, 2003 were \$270,577 or \$0.02 per share compared to \$260,144 or \$0.02 per share last year. Management continued to adjust its overhead and R&D costs in the third quarter to reflect current business conditions. For the first nine months of fiscal 2003 net earnings were \$133,625 or \$0.01 per common share compared to \$1.0 million or \$0.08 per share in fiscal 2002.

Sales in the third quarter of fiscal 2003 were \$6.3 million compared to \$7.8 million last year. For the nine months ended August 31, 2003, sales were \$18.1 million compared to \$21.6 million in fiscal 2002. During the third quarter IRD acquired substantially all of the assets of the Intelligent Transportation Business (ITS) Traffic and Telematics business of German-based PAT GmbH ("PAT") located in Europe and the United States. Sales for the acquired operations for the most recent fiscal year were approximately USD \$10 million. IRD also acquired the option to purchase the PAT traffic business in Santiago, Chile, which is expected to close shortly. The total purchase price was approximately USD \$2.8 million, including the Chilean operations.

The Company anticipates sales will grow through the balance of the year and going forward as fundamentals continue to improve in its key North American markets, aggressive initiatives to expand in current and new overseas markets are successful, and as a result of the rollout of recently-announced new products and services. The acquisition of the PAT business will further add to sales and profitability.

"The integration of the acquired assets and business of the PAT operations in Europe and the United States is proceeding smoothly, and we anticipate they will begin to contribute to our performance in the fourth quarter and the years ahead," commented Terry Bergan, President and CEO. "The purchase of this successful ITS industry participant has already enhanced our market presence while adding related systems and technologies that complement our current product offerings. We are very excited about the potential that this acquisition brings to our shareholders"

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The changes to IRD's balance sheet compared to the end of fiscal 2002 primarily reflect the acquisition and financing of the PAT assets during the third quarter. Despite this significant asset purchase and debt financing, IRD's balance sheet remained strong with working capital of \$9.4 million compared to \$10.7 million at the previous year-end and a debt to equity ratio of a highly conservative 0.33:1 at quarter-end. Shareholders equity stood at \$12.9 million or \$0.96 per common share. Through the first nine months of fiscal 2003, the Company repurchased 333,200 common shares under its approved issuer bid program for a total of \$341,968.

During the third quarter the Company strengthened its solid base of recurring maintenance revenues with the renewal for the third consecutive year of its long-term service and maintenance contract with the New York State Department of Transportation. In addition, a contract to supply, install and operate new and existing Weigh-In-Motion systems was received by the Oklahoma Department of Transportation, while the Company's presence in its overseas markets was strengthened with the awarding in India of a contract for 48 lanes of IRD's new **iTOLL** Toll Collection Systems valued at \$1.2 million.

Mr. Bergan continued: "With these new contracts, and the inclusion of our recently-acquired business from PAT, IRD's backlog of confirmed orders has risen to almost \$20 million, a significant improvement over the last two quarters. In addition, once the purchase of the Chilean operations is completed, their profitable multi-year service and maintenance contracts will further boost our order book. These factors bode well for improved performance in the fourth quarter and going forward."

Financial Highlights (full statements follow)

Period Ended August 31, (in \$,000 except per share amounts)	Three Months		Nine Months	
	2003	2002	2003	2002
Sales	<b>6,304</b>	7,767	<b>18,065</b>	21,617
EBITDA	<b>605</b>	695	<b>797</b>	2,363
Net Earnings	<b>271</b>	260	<b>134</b>	1,001
Net Earnings per Common Share (basic)	<b>\$0.02</b>	\$0.02	<b>\$0.01</b>	\$0.08
Working Capital			<b>9,435</b>	9,806
Shareholders' Equity per Share			<b>\$0.96</b>	\$0.94
Common Shares Outstanding			<b>13,422</b>	13,293

IRD is a highway traffic management technology company specializing in supplying products and systems to the global Intelligent Transportation Systems (ITS) industry. IRD is a North American company based in Saskatoon, Saskatchewan with sales and service offices throughout the United States and overseas. Private corporations, transportation agencies and highway authorities around the world use IRD's products and advanced systems to manage and protect their highway infrastructures.

***A conference call will be held by IRD's senior management team at 10.00 am ET on Friday September 26, 2003. To access the call, please dial (800) 273-9672 or (416) 695-5806. Should you miss the live conference call, a replay can be accessed until October 3, 2003 by dialing (416) 695-5800 or (800) 408-3053 and entering the access code 1479196 when requested***

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The Company's shares trade on the Toronto Stock Exchange under the symbol IRD.

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IRD is listed on the TSX - trading symbol - IRD  
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