



## INTERNATIONAL ROAD DYNAMICS INC.

Corporate Offices: Canadian - 702 - 43rd St. E. Saskatoon, SK S7K 3T9  
U.S. - 2402 Spring Ridge Drive, Suite E Spring Grove, IL 60081

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### **IRD ANNOUNCES IMPROVED FIRST QUARTER 2004 RESULTS**

#### **Sales Increase 36% Due to Contribution from PAT Acquisition**

**Saskatoon, March 25, 2004** - International Road Dynamics Inc. (IRD) announced today results for the three months ended February 29, 2004.

#### HIGHLIGHTS:

- Sales rise 36% as PAT acquisition contributes new business
- First quarter net loss reduced compared to prior year
- Positive outlook for continued growth through balance of year

Sales in the first quarter of fiscal 2004 rose 36% to \$6.7 million compared to \$4.9 million last year due primarily to a strong contribution from the PAT acquisition completed in the third and fourth quarters of fiscal 2003. PAT contributed approximately \$1.3 million in sales to the first quarter of fiscal 2004.

Gross margin in the quarter was lower than the prior year as the current year's sales mix included a higher ratio of lower margin subcontracted work. In addition, a number of low margin contracts acquired with the PAT business were manufactured in Europe at higher costs and shipped during the period to ensure strong relations were maintained with IRD's newly acquired customers. Management believes profitability will significantly improve through the balance of the year as the Company returns to a more traditional sales mix favouring higher margin product and systems sales and the impact of the lower margin business acquired from PAT is completed. In addition, the transference of the PAT manufacturing operations from Europe to IRD's Canadian facilities will be completed later in fiscal 2004 and will contribute to improved gross margins.

Administrative and marketing expenses were higher in the first quarter of fiscal 2004 due to considerably higher insurance premiums this year and increased efforts to capitalize on returning demand for ITS solutions within the North American marketplace. In addition, the newly acquired PAT sales offices and personnel in the United States and Chile were included in the current year's costs. While a new Transportation Budget approving funds for highway projects has not yet been passed by the US government, an interim budget has permitted a number of delayed projects to proceed. Management is confident the new Transportation Budget will be approved in 2004, generating an increase in the deployment of ITS systems across North America, including those produced by IRD.

As a result of the lower margins and increased costs in the period, the Company produced a net loss of \$294,002 or \$0.02 per common share in the quarter, an improvement over the loss of \$464,388 or \$0.03 per share in the same period last year.

IRD's balance sheet remained strong at the end of the first quarter with working capital of \$9.1 million compared to \$9.4 million at the end of fiscal 2003, and a debt to equity ratio of a highly conservative 0.4:1. Shareholders equity stood at \$13.4 million or \$0.98 per common share.

During and subsequent to the first quarter, the Company announced a new \$1.1 million contract for traffic counter and classifier systems in the Philippines and a \$630,000 Weigh-In-Motion (WIM) contract with the California Department of Transportation. With its acquisition of the PAT business in fiscal 2003, IRD now has the largest installed base of WIM systems in the world with more than 2,500 systems operating in North, South and Central America, Europe, Asia and Australia.

IRD also expanded its presence in the highway and roadway safety systems business with the introduction of its new SPEEDsentry™ radar speed display sign, a highly flexible and effective means to reduce speeds in work and school zones and residential areas.

"Our levels of business are picking up momentum, and we expect to generate a much improved level of profitability through the balance of fiscal 2004," commented Terry Bergan, President and CEO. "In addition, once the US

government approves its new Transportation Equity Act for the 21st Century, we should see an increase in orders for our innovative Intelligent Transportation Systems and solutions.”

Financial Highlights (full statements follow)

Period Ended February 29,	Three Months	
	2004	2003
(in \$,000 except per share amounts)		
Sales	<b>6,664</b>	4,902
EBITDA	<b>(519)</b>	(388)
Net Earnings	<b>(294)</b>	(464)
Net Earnings per Common Share (basic)	<b>\$(0.02)</b>	\$(0.03)
Working Capital	<b>9,056</b>	9,823
Shareholders' Equity per Share	<b>\$0.98</b>	\$0.92
Common Shares Outstanding	<b>13,707</b>	13,611

*Certain statements in this discussion may include "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of International Road Dynamics Inc. to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this discussion, such statements use such words as "may", "will", "expect", "anticipate", "project", "believe", "plan", and other similar terminology. The risks and uncertainties are detailed from time to time in reports filed by the Corporation with the securities regulatory authorities in applicable provinces and territories of Canada. New risk factors may arise from time to time and it is not possible for management to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance and achievements of the Corporation to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.*

*As used herein, "EBITDA" means earnings before interest, income taxes, depreciation, and amortization. EBITDA is not a recognized measure under Canadian generally accepted accounting principles ("GAAP"). Management believes that EBITDA is a useful supplemental measure to net earnings (loss), as it provides investors with an indication of operating performance prior to debt service, capital expenditures and income taxes. Investors should be cautioned, however, that EBITDA should not be construed as an alternative to net earnings (loss) determined in accordance with GAAP as an indicator of the Corporation's performance or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. The Corporation's method of calculating EBITDA may differ from the methods by which other companies calculate EBITDA and, accordingly, EBITDA may not be comparable to measures used by other companies.*

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.

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

FOR MORE INFORMATION PLEASE CONTACT:

Terry Bergan, President & CEO

Phone: (306) 653-6600

U.S. (303) 355-5998

Francine Senecal-Lepage, Investor Relations

Phone: (306) 653-6603

Fax: (306) 653-6609

Email: [irdir@irdinc.com](mailto:irdir@irdinc.com)

IRD is listed on the TSX - trading symbol - IRD  
www.irdinc.com