



## INTERNATIONAL ROAD DYNAMICS INC.

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**For Immediate Release: June 24, 2004**

### **IRD ANNOUNCES SECOND QUARTER 2004 RESULTS**

**Saskatoon, June 24, 2004** - International Road Dynamics Inc. (IRD) announced today results for the three and six months ended May 31, 2004. Sales in the second quarter of fiscal 2004 were \$7.5 million compared to \$7.4 million last year and \$6.7 million in the first quarter of the year. For the six months ended May 31, 2004, sales were \$14.2 million compared to \$12.2 million in fiscal 2003. International sales increased significantly in the quarter and year-to-date periods compared to last year. The acquisition of the PAT Traffic business in the third quarter of fiscal 2003 contributed approximately \$2.1 million in sales for the first six months of fiscal 2004. Delayed funding for transportation infrastructure spending in the Company's United States' markets resulted in a decline in North American sales in fiscal 2004.

Gross margin through the first six months of fiscal 2004 was lower than the prior year due to a higher ratio of lower margin subcontracted work compared to last year. In addition, a number of low margin contracts acquired with the PAT business were shipped in the period to ensure strong relations were maintained with IRD's newly acquired customers. Gross margin in the second quarter of fiscal 2004 improved to 29.6% of sales compared to 21.5% in the first quarter of the year.

Administrative and marketing expenses have increased in fiscal 2004 due to the PAT acquisition in the U.S. and the Company's new operations in Chile. The Company generated a net loss of \$61,135 or \$0.00 per common share in the second quarter of fiscal 2004 compared to a net profit of \$327,436 or \$0.02 per common share last year. The net loss for the first six months of fiscal 2004 was \$355,137 or \$(0.03) per common share compared to a net loss of \$136,952 or \$(0.01) per common share in fiscal 2003.

"We expect sales will continue to expand through the balance of the year as our recent acquisitions and joint ventures contribute to our growth. In addition, the passing of an interim budget in the United States has permitted a number of delayed projects in which we are involved to proceed," commented Terry Bergan, President and CEO. "We are also confident that profitability will continue to improve as we generate a more traditional sales mix that favours higher margin products and systems sales, and as the impact of the lower margin business acquired from PAT is completed."

The Company's balance sheet remained strong at the end of the quarter with working capital of \$8.1 million and shareholders equity of \$13.4 million or \$0.97 per share. The Company generated cash from operations of \$155,042 through the first six months of fiscal 2004, after changes in non-cash working capital items, compared to \$341,533 last year.

With its acquisition of the PAT business in fiscal 2003, IRD now has the world's largest installed base of Weigh-In-Motion systems with more than 2,500 installations in North, South and Central America, Europe, Asia and Australia. During the second quarter the Company announced a \$1.1 million contract to supply traffic counters and classifier systems to the Philippines, a \$1.9 million letter of intent to supply and install its **ITOLL** toll collection system in India, and another \$1.0 million contract for an **ITOLL** system in Colombia. As a result of these new business wins the Company's backlog of confirmed orders stood at \$19 million as at May 31, 2004.

To maintain its record of strong international sales growth, in March 2004 IRD entered into a strategic partnership to form a new company in Brazil to market and sell its products and services. In addition it introduced a new portable weigh-in-motion screening system for mobile enforcement applications.

Financial Highlights (full statements follow)

Period Ended May 31,	Three Months		Six Months	
	2004	2003	2004	2003
(in ,000 except per share amounts)				
Sales	<b>\$7,553</b>	\$7,374	\$14,217	\$12,246
EBITDA	<b>\$183</b>	\$729	\$(155)	\$192
Net Earnings (Loss)	<b>\$(61)</b>	\$327	\$(355)	\$(137)
Net Earnings (Loss) per Common Share	<b>\$0.00</b>	\$0.02	\$(0.03)	\$(0.01)
Working Capital			\$8,117	\$9,448
Shareholders' Equity per Share			\$0.97	\$0.94
Common Shares Outstanding			13,724	13,448

*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:

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