



INTERNATIONAL ROAD DYNAMICS INC.

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IRD ANNOUNCES THIRD QUARTER 2004 RESULTS

Saskatoon, September 29th, 2004 - International Road Dynamics Inc. (IRD) announced today results for the three and nine months ended August 31, 2004. Sales in the third quarter of fiscal 2004 were \$8.7 million compared to \$6.2 million last year. Sales have been rising steadily in fiscal 2004, up from \$7.6 million in the second quarter and \$6.7 million in the first quarter of the year. For the nine months ended August 31, 2004, sales were \$23.0 million compared to \$18.5 million in fiscal 2003. International sales increased significantly in the quarter and year-to-date periods compared to last year while the acquisition of the PAT Traffic business in the third quarter of fiscal 2003 contributed approximately \$4.3 million in sales for the first nine months of fiscal 2004. Delayed government funding for transportation infrastructure spending in the Company's United States' markets resulted in a significant decline in North American sales in fiscal 2004 compared to the last two years.

Revenues for the third quarter and year-to-date were generated from the following geographic segments:

	Three Months ended August 31		Nine Months Ended August 31	
	2004	2003	2004	2003
Canada	656,730	216,268	1,313,594	946,261
United States	5,357,323	5,736,723	14,444,440	15,967,303
Offshore	2,731,420	252,496	7,204,388	1,538,400
	<u>8,745,473</u>	<u>6,205,487</u>	<u>22,962,422</u>	<u>18,451,964</u>

Gross margins in the third quarter and first nine months of fiscal 2004 were lower than the prior year due primarily to an increase in lower margin product sales and a reduction in sales of higher margin Commercial Vehicle Operations (CVO) systems in the US compared with last year. In addition, one-time engineering costs were incurred in the third quarter of 2004 associated with the sale of new IRD products recently introduced to the market. Gross margin in the third quarter of fiscal 2004 was 29.7% of sales compared to 29.6% in the second quarter and 21.5% in the first quarter of the year.

Administrative and marketing expenses were higher through the first nine months of fiscal 2004 due to the PAT acquisition in the third quarter of fiscal 2003 and the Company's new operations in Chile. In addition, a foreign exchange loss on the translation of foreign assets of \$148,163 was incurred in the quarter compared with a foreign exchange gain of \$98,182 last year. As a result, the Company generated a net loss of \$187,998 or 0.01 per common share in the third quarter of fiscal 2004 compared to net earnings of \$270,577 or \$0.02 per common share last year. The net loss for the first nine months of fiscal 2004 was \$543,135 or \$0.04 per common share compared to net earnings of \$133,625 or \$0.01 per common share in fiscal 2003.

“Our business continues to be negatively impacted by the ongoing delay in approving a new transportation funding bill in the United States. Numerous projects in which IRD has been selected to participate, as well as many other opportunities for new business, have been postponed by our state and municipal customers until this highway funding legislation is approved by the US government,” commented Terry Bergan, President and CEO. “With the pending Presidential election, we now expect the bill will not be approved until the spring of 2005, at which time we can expect to see a significant increase in our CVO business in the United States.”

Mr. Bergan continued: “To ensure we are prepared for this anticipated rise in our US business next year, we have increased our investment in research and development to bring new and updated products and technologies to our customers and our markets. We have also successfully focused our efforts on increasing our overseas sales as well as our in-vehicle systems and other private sector initiatives. In addition, we continue to review our cost structures while at the same time ensuring we do not compromise our industry-leading capabilities and strong position in all our markets.”

IRD is the worldwide leader in Weigh-In-Motion (WIM) systems with an installed base of more than 2,500 systems throughout North, South and Central America, Europe, Asia and Australia. During the third quarter the Company announced a \$1.2 million five-year service and maintenance contract with the State of Kentucky and a \$2.9 million three-year contract to install, operate and maintain WIM systems in Oklahoma. The Company’s overseas business was also strengthened with the awarding of a \$1.0 million contract in Colombia for its recently introduced *iTOLL* system.

Financial Highlights (full statements follow)

Period Ended August 31,	Three Months		Nine Months	
	2004	2003	2004	2003
(in \$,000 except per share amounts)				
Sales	8,745	6,205	22,962	18,452
EBITDA	6	605	(149)	797
Net Earnings (Loss)	(188)	271	(543)	134
Net Earnings (Loss) per Common Share	(0.01)	0.02	(0.04)	0.01
Working Capital			7,102	9,435
Shareholders’ Equity per Share			\$0.96	\$0.96
Common Shares Outstanding			13,724	13,422

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.

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