



## 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

**For Immediate Release: February 14, 2005**

### **IRD ANNOUNCES FOURTH QUARTER AND YEAR-END 2004 RESULTS**

**Saskatoon, February 14, 2005** - International Road Dynamics Inc. (IRD) announced today results for the three months and year ended November 30, 2004. Sales in the fourth quarter of fiscal 2004 were \$8.4 million compared to \$9.8 million last year. The fourth quarter of fiscal 2003 included stronger service revenues than in fourth quarter 2004. For the year ended November 30, 2004, sales were \$31.4 million compared to \$28.3 million in fiscal 2003. Offshore sales tripled in fiscal 2004 compared to the prior year while the acquisition of the PAT Traffic business in the fourth quarter of fiscal 2003 contributed approximately \$8.4 million in sales in 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. Sales of the Company's industry leading Weigh-in-Motion systems declined to \$5.3 million in fiscal 2004 from \$9.9 million in fiscal 2003 due to the delayed funding.

Gross margins in the fourth quarter and fiscal year ended November 30, 2004 reduced due primarily to an increase in lower margin product sales and a reduction in sales of higher value-added Commercial Vehicle Operations (CVO) systems in the US compared with last year. Margins were also negatively impacted by the cost of maintaining a core technology support group for CVO systems, higher engineering costs associated with the introduction of new IRD products to the market, and higher input costs, particularly steel, compared to last year.

Administrative and marketing expenses were higher through fiscal 2004 due to the PAT acquisition in the fourth quarter of fiscal 2003 and the Company's new operations in Chile. A foreign exchange loss on the translation of foreign assets of \$68,519 was incurred in the fourth quarter compared with a foreign exchange gain of \$572,553 last year. In addition, a loss of \$92,340 was recorded from the Company's equity investment in its joint venture Brazilian operations. As a result of these factors, the Company generated a net loss of \$373,949 or \$0.03 per common share in the fourth quarter of fiscal 2004 compared to a net profit of \$530,116 or \$0.04 per common share last year. The net loss for fiscal 2004 was \$917,084 or \$0.07 per common share compared to a net profit of \$663,741 or \$0.05 per common share in fiscal 2003.

"While the PAT acquisition has increased penetration of offshore markets and generated solid sales growth for the Company, our North American CVO business continues to be negatively impacted by the ongoing delay in approving a new transportation funding bill in the United States," commented Terry Bergan, President and CEO. "Looking ahead, we are confident sales growth in our US markets will resume once funding is approved for badly needed infrastructure spending. This anticipated growth will complement the significant inroads we have made in our offshore markets, as well as the considerable progress in selling our PAT products, in-vehicle systems and maintenance contracts. These other markets are also less dependent on government funding."

Mr. Bergan continued: "Through 2004 we have also increased our research and development investment to bring new and updated products and technologies to our customers and markets. While we continue to review our cost structures with the view to achieving a profitable year in fiscal 2005, we will also make sure we do not compromise our industry-leading engineering capabilities and strong position in all our markets."

## Financial Highlights (full statements follow)

Period Ended November 30, (in \$,000 except per share amounts)	Three Months		Year	
	2004	2003	2004	2003
Sales	<b>8,394</b>	9,790	31,356	28,288
EBITDA	<b>98</b>	716	(12)	1,514
Net Earnings (Loss)	<b>(374)</b>	531	(917)	664
Net Earnings (Loss) per Common Share	<b>\$(0.03)</b>	\$0.04	\$(0.07)	\$0.05
Working Capital			7,716	9,447
Shareholders' Equity per Share			\$0.93	\$1.00
Common Shares Outstanding			13,748	13,566

*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.

- 30 -

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**

# INTERNATIONAL ROAD DYNAMICS INC.

## Consolidated Balance Sheet

November 30, 2004, with comparative figures for November 30, 2003

	2004	2003
Assets		
Current assets:		
Cash	\$ 632,823	\$ 921,943
Accounts receivable	11,953,467	12,557,929
Inventory	5,191,353	4,555,876
Investment tax credits recoverable	474,000	715,000
Prepaid expenses and deposits	342,831	189,917
	18,594,474	18,940,665
Investment tax credit recoverable	2,900,000	1,739,000
Property, plant and equipment	4,576,853	4,578,574
Intangible assets	91,082	285,698
	\$ 26,162,409	\$ 25,543,937
Liabilities and Shareholders' Equity		
Current Liabilities:		
Short-term loans	\$ 6,294,275	\$ 4,835,000
Accounts payable and accrued liabilities	3,185,569	3,354,169
Current income taxes	114,862	89,666
Deferred revenue	199,000	265,480
Future income taxes	506,000	881,000
Current portion of long-term debt	578,700	67,900
	10,878,406	9,493,215
Long-term debt - net	1,530,185	1,199,892
Deferred revenue	319,606	575,729
Future income taxes	610,000	744,000
	13,338,197	12,012,836
Shareholders' Equity:		
Share capital	11,782,058	11,571,863
Retained earnings	1,042,154	1,959,238
	12,824,212	13,531,101
	\$ 26,162,409	\$ 25,543,937

**INTERNATIONAL ROAD DYNAMICS INC.**

## Consolidated Statement of Operations and Retained Earnings

For the years ended November 30, 2004 and 2003

	2004	2003
Sales	\$ 31,356,042	\$ 28,287,536
Cost of sales	22,893,126	18,338,066
	8,462,916	9,949,470
Administrative and marketing expenses	7,574,050	6,678,154
Operating earnings	888,866	3,271,316
Research and development	1,015,078	752,268
Earnings before undernoted items	(126,212)	2,519,048
Other expenses (income)		
Foreign exchange loss (gain)	(90,992)	1,005,406
Amortization	932,671	799,284
Interest on short-term debt	257,437	98,441
Interest on long-term debt	93,657	88,512
Other (income) expense	(115,077)	(27,150)
Loss (income) from equity investment	92,340	-
	1,170,036	1,964,493
Net earnings (loss) before income taxes	(1,296,248)	554,555
Provision for income taxes		
Current	129,836	-
Future (recovery)	(509,000)	(109,186)
	(379,164)	(109,186)
Net earnings (loss) for the year	(917,084)	663,741
Retained earnings, beginning of year	1,959,238	1,352,697
Shares repurchased in excess of book value	-	(57,200)
Retained earnings, end of year	\$ 1,042,154	\$ 1,959,238
Earnings per share - basic	\$ (0.07)	\$ 0.05
- diluted	\$ (0.07)	\$ 0.05

# INTERNATIONAL ROAD DYNAMICS INC.

## Consolidated Statement of Cash Flows

For the years ended November 30, 2004 and 2003

	2004	2003
Cash provided by (used in):		
Operations:		
Net earnings (loss)	\$ (917,084)	\$ 663,741
Items not involving cash:		
Amortization	932,671	799,284
Issue of common shares for expenses	45,408	51,990
Income (loss) from equity investment	92,340	-
Provision for future income taxes	(509,000)	(168,000)
	(355,665)	1,347,015
Change in non-cash working capital:		
Accounts receivable	573,894	(678,563)
Investment tax credits recoverable	(920,000)	(765,000)
Inventory	(635,477)	635,711
Prepaid expenses and deposits	(152,914)	5,265
Accounts payable and accrued liabilities	(168,600)	649,955
Current income taxes payable	25,196	44,354
Deferred revenue	(322,603)	(161,470)
	(1,956,169)	1,077,267
Financing:		
Net short-term loans	1,459,275	4,701,668
Increase in long-term debt	1,000,000	-
Repayment of long-term debt	(158,907)	(105,438)
Issue share capital	164,787	166,820
Repurchase share capital	-	(341,095)
	2,465,155	4,421,955
Investing:		
Additions to property, plant and equipment	(736,334)	(1,148,946)
Equity investment	(61,772)	-
Business Acquisition - net of cash acquired	-	(3,784,434)
	(798,106)	(4,933,380)
Increase (decrease) in cash	(289,120)	565,842
Cash, beginning of year	921,943	356,101
Cash, end of year	\$ 632,823	\$ 921,943
Supplemental cash flow disclosure:		
Income taxes paid	\$ 81,186	\$ 16,975
Interest paid	\$ 351,300	\$ 189,136