



## INTERNATIONAL ROAD DYNAMICS INC.

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**For Immediate Release**

### **IRD ANNOUNCES IMPROVED FIRST QUARTER 2005 RESULTS**

**Saskatoon, March 22, 2005** - International Road Dynamics Inc. (IRD) announced today results for the three months ended February 28, 2005.

#### **HIGHLIGHTS:**

- Sales rise due to gains in offshore markets
- Improved gross margins and cost controls result in profitable quarter
- Positive outlook for approval of new transportation budget in United States during 2005

Sales in the first quarter of fiscal 2005 rose 7.8% to \$7.2 million from \$6.7 million last year due primarily to solid growth in the Company's overseas markets and new contracts in Canada.

Gross margin rose to 30.2% of sales from 21.2% in last year's first quarter. Included in the prior year's results were a number of low margin OEM sales and low margin contracts acquired with the PAT Traffic business. These contracts were completed during 2004 and the Company has returned to a more traditional sales mix favouring higher margin product and systems sales.

Administrative and marketing expenses were marginally higher in the first quarter of fiscal 2005 due primarily to increased professional fees and insurance costs.

As a result of the improved margins and management's cost control initiatives, the Company generated earnings before interest, taxes, depreciation and amortization (EBITDA) of \$255,546, a considerable improvement over the loss of \$518,958 recorded in the first quarter of last year. Net income was \$88,474 or \$0.01 per common share compared to a net loss of \$294,002 or \$0.02 per common share in the first quarter of 2004.

IRD's balance sheet remained strong at the end of the first quarter with working capital of \$7.5 million compared to \$7.7 million at the end of fiscal 2004, and a debt to equity ratio of a highly conservative 0.8x:1. Shareholders equity stood at \$12.9 million or \$0.94 per common share.

Over the last two years the Company has achieved significant growth in its overseas markets, including India, South America, China and Korea. Contributing to this growth were sales of products acquired with the purchase of the PAT business in 2003, in addition to the development of new markets for IRD's systems and products, particularly for toll road systems in India. In order to achieve significantly higher revenues it is important that spending on new weigh station technology in the U.S. regain momentum. However, due to ongoing delays by the US federal government in approving a new six-year transportation budget, State governments have been unable or reluctant to commit funds to significant transportation capital projects. The prospect of the passage into law of the new transportation budget during 2005 looks promising. Although this passage would not result in an immediate increase in weigh station spending, it is expected that in 2006 the increase in demand for weigh station systems in the U.S. will have a positive impact on the Company's revenues.

“We were pleased to have generated solid profitability in the first quarter of fiscal 2005, traditionally our weakest period of the year,” commented Terry Bergan, President and CEO. “We are also cautiously optimistic that with the anticipated passage of a new transportation budget in the US this year, we will see a gradual improvement in sales of our weigh-in-motion and other products into a market where we have a long-standing and strong reputation for quality and meeting the needs of our customers.”

### Financial Highlights (financial statements attached)

Period Ended February 28, (in \$,000 except per share amounts)	Three Months	
	2005	2004
Sales	<b>7,167</b>	6,664
EBITDA	<b>256</b>	(519)
Net Earnings	<b>88</b>	(294)
Net Earnings per Common Share (basic)	<b>\$0.01</b>	\$(0.02)
Working Capital	<b>7,484</b>	9,055
Shareholders' Equity per Share	<b>\$0.94</b>	\$0.98
Common Shares Outstanding	<b>13,766</b>	13,707

*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  
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