

**NEWS RELEASE**  
**INTERNATIONAL ROAD DYNAMICS INC.**

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**For Immediate Release: June 24, 2005**

**IRD ANNOUNCES SECOND PROFITABLE QUARTER IN 2005**  
**New Canadian Contracts Result in Solid Order Book**

**Saskatoon, June 24 2005** - International Road Dynamics Inc. (IRD) announced today solid results for the three and six months ended May 31, 2005 and the awarding of a number of new Canadian contracts.

**HIGHLIGHTS:**

- Sales increase 14% due to gains in offshore and domestic markets
- Second consecutive profitable quarter in 2005
- New Canadian contracts boost order book by \$1.9 million

Sales increased 14% in the second quarter of fiscal 2005 to \$8.6 million compared to \$7.5 million last year. For the six months ended May 31, 2005, sales rose 11% to \$15.8 million from \$14.2 million in fiscal 2004. Canadian orders increased significantly in the quarter and year-to-date periods as a result of IRD's continuing product and market diversification efforts.

Gross margin in the second quarter of fiscal 2005 improved to 32.8% of sales compared to 29.6% last year. For the first six months of fiscal 2005 gross margin increased to 31.6% from 24.3% last year. The improvement in profitability was due to an increased percentage of higher margin system and product sales in fiscal 2005 as well as the positive impact of moving the manufacturing of certain PAT equipment from Europe to the Company's facilities in Canada over the last year. In addition, certain low margin contracts acquired through the PAT transaction that had negatively impacted gross margins in fiscal 2004 are now completed.

Administrative and marketing expenses increased marginally in fiscal 2005 due to the Company's successful efforts to grow sales in its overseas markets.

As a result of the increased sales, improved gross margins and ongoing cost control initiatives, the Company generated earnings before interest, taxes, depreciation and amortization (EBITDA) of \$942,266 in the second quarter, a solid improvement over the \$183,352 in fiscal 2004. For the six months ended May 31, 2005 EBITDA was \$1,274,990 compared to a negative EBITDA of \$155,122 for the first six months of last year.

Net income was \$440,314 or \$0.03 per common share in the second quarter compared to a net loss of \$61,135 or \$0.00 per common share in the prior year. For the six months ended May 31, 2005 net income was \$528,788 or \$0.04 per share compared to a net loss of \$355,137 or \$(0.03) per common share in fiscal 2004.

The Company's balance sheet remained strong at the end of the quarter with working capital of \$8.0 million and shareholders equity of \$13.4 million or \$0.97 per share. The Company generated cash from operations

of \$3,209,844 through the first six months of fiscal 2005, after changes in non-cash working capital items, compared to \$155,042 last year.

The Company also announced today that it had been awarded a number of contracts for its industry-leading Weigh-In-Motion systems and truck weight station systems in Saskatchewan, British Columbia and Nova Scotia for a total value of approximately \$1.9 million. During the second quarter of fiscal 2005 the Company was awarded a \$1.4 million contract to supply and install two automated weigh stations in the Province of New Brunswick, and three contracts to supply its patented **ITOLL** toll collection and weigh-in-motion systems in India valued at \$1.9 million. As a result of these new business wins, the Company's book of confirmed orders stood at \$19.2 million as at June 10, 2005.

"We are very pleased to have generated another profitable quarter in fiscal 2005, and expect further gains through the balance of the year as we continue to capitalize on our presence as one of the world's leading providers of Intelligent Transportation Systems solutions," commented Mr. Terry Bergan, President and CEO. "We also remain optimistic that the U.S. Federal Government will approve a new transportation budget this year that will significantly increase our sales in our core North American markets going forward."

Financial Highlights [\(full statements attached\)](#)

Period Ended May 31,	Three Months		Six Months	
	2005	2004	2005	2004
(in \$,000 except per share amounts)				
Sales	<b>8,648</b>	7,553	<b>15,815</b>	14,217
EBITDA	<b>942</b>	183	<b>1,275</b>	(155)
Net Earnings (Loss)	<b>440</b>	(61)	<b>529</b>	(355)
Net Earnings (Loss) per Common Share	<b>\$0.03</b>	\$0.00	<b>\$0.04</b>	\$(0.03)
Working Capital			<b>7,975</b>	8,117
Shareholders' Equity per Share			<b>\$0.97</b>	\$0.97
Common Shares Outstanding			<b>13,784</b>	13,724

*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](http://www.irdinc.com)

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