



## 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: September 22, 2005**

### **IRD ANNOUNCES SOLID THIRD QUARTER 2005 RESULTS**

**Saskatoon, September 22, 2005** - International Road Dynamics Inc. (IRD) announced today its results for the three and nine months ended August 31, 2005.

#### **Highlights:**

- Third quarter sales rise 15.3% as North American market fundamentals strengthen
- Quarterly revenues pass \$10 million for the first time
- Gross margins improve due to increased systems sales
- Nine months net earnings of \$0.07 per share compared to loss of \$0.04 per share in 2004
- Awarding of \$7.9 million in new contracts
- Passing of U.S. Transportation Bill bodes well for continued growth

Sales in the third quarter of fiscal 2005 rose 15.3% to \$10.1 million from \$8.8 million last year due primarily to higher Commercial Vehicle Operations (CVO) systems sales in Canada and the United States. For the nine months ended August 31, 2005, sales were \$25.89 million, up 12.8% from fiscal 2004.

As a result of the increase in higher margin systems and product sales, gross margin improved in both the third quarter and nine month periods compared to last year. Administrative and marketing expenses were lower for the three and nine months ended August 31, 2005 compared to the prior year due to ongoing cost control initiatives.

The increase in sales, combined with the improved gross margin and lower overhead expenses, resulted in third quarter earnings before interest, taxes, depreciation and amortization (EBITDA) rising to \$1.0 million from \$154,242 last year. EBITDA for the nine months ended August 31, 2005 rose to \$2.3 million from a loss of \$308,554 in fiscal 2004. Net earnings in the third quarter of fiscal 2005 increased to \$406,810 or \$0.03 per common share from a loss of \$187,998 or \$0.01 per share last year. Net earnings for the first nine months of fiscal 2005 were \$935,598 or \$0.07 per share compared to a loss of 543,135 or \$0.04 per share last year.

The Company's balance sheet continued to strengthen in the quarter with working capital rising to \$8.5 million from \$7.7 million at the end of fiscal 2004 and \$7.1 million at the end of last year's third quarter. Long-term debt continued to reduce, while shareholders' equity increased to \$13.8 million or \$1.00 per common share compared to \$12.8 million or \$0.93 as at November 30, 2004. The Company generated cash from operations of \$1.8 million for the nine months ended August 31, 2005 compared to a use of cash of \$1.2 million last year.

"Our results continued to improve in the third quarter, and we look for further growth in both sales and earnings going forward," commented Terry Bergan, President and Chief Executive Officer. "In addition, with the recent passing of the long-awaited transportation bill in the United States, we are confident we will capitalize on the increased demand for our innovative ITS solutions and build on our industry leading presence in the U.S. market."

On August 10, the United States government passed its surface transportation reauthorization bill with approved total guaranteed funding of \$286.5 billion for fiscal years 2004 through 2009 for improvements and maintenance for the highway and transit systems, including significant funding for the installation, service, and maintenance of Intelligent Transportation Systems (ITS). IRD is a global leader in the provision of ITS systems and solutions, with an established market presence and a significant installed base of its Weigh-In-Motion (WIM) and other ITS technologies in the U.S.

"With the passage of this bill, we are confident many of the projects that have been delayed over the last three years will now proceed on the fast track," Mr. Bergan concluded.

IRD is the worldwide leader in 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 renewed an \$850,000 one-year service and maintenance contract with the Oklahoma Department of Transportation, as well as maintenance contracts in Oregon, Illinois, Indiana, North Carolina, Washington, Nebraska, and Kentucky worth a total of \$1.25 million. The Company's overseas business was also strengthened with the awarding of a \$1.86 million iToll and WIM contract in India, as well as its first WIM contract in Bangladesh worth \$600,000. IRD's Brazilian subsidiary was also awarded a \$2.0 million contract for the refurbishment of 13 WIM stations.

Financial Highlights **(full statements follow)**

Period Ended August 31,	Three Months		Nine Months	
	2005	2004	2005	2004
(in \$,000 except per share amounts)				
Sales:				
Canada	1,900	657	4,722	1,314
United States	6,377	5,357	14,581	14,444
International	1,805	2,731	6,594	7,204
	<b>10,082</b>	8,745	<b>25,897</b>	22,962
EBITDA	1,036	154	2,253	(309)
Net Earnings (Loss)	407	(188)	936	(543)
Net Earnings (Loss) per Common Share	\$0.03	\$(0.01)	\$0.07	\$(0.04)
Working Capital			8,499	7,102
Shareholders' Equity per Share			\$1.00	\$0.96

*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