



## **INTERNATIONAL ROAD DYNAMICS INC.**

**CORPORATE OFFICES:** **Canada:** 702 - 43rd St. E. Saskatoon, SK S7K 3T9

**U.S.:** 2402 Spring Ridge Drive, Suite E Spring Grove, IL 60081

**Chile:** Maria L. Santander 0360, Providencia, Santiago, Chile

**India:** Villa 13 Block 5 Eros Garden, Surajkund Road, Charmwood Village, New Delhi, India

**Brazil:** Rua Coriolano, 2030 – Cj. 20 – V.Romana 05047-002 Sao Paulo SP Brazil

**For Immediate Release: October 5, 2006**

### **IRD ANNOUNCES THIRD QUARTER 2006 RESULTS**

**Saskatoon, October 5, 2006** - International Road Dynamics Inc. (IRD) announced today results for the three and nine months ended August 31, 2006.

Sales in the third quarter of fiscal 2006 were \$9.1 million compared to \$10.1 million last year. For the nine months ended August 31, 2006 sales were \$22.7 million compared to \$25.9 million last year. The decrease is due primarily to lower business volumes in the Company's North American markets compared to the prior year periods as a result of the previously disclosed delay in implementing the new transportation infrastructure spending in the United States. Last year's sales also included two large Canadian installations. The decline in the value of the Canadian dollar compared with the comparable prior year periods reduced sales by approximately \$950,000 through the first nine months of fiscal 2006.

"During and subsequent to the end of the quarter we were awarded a number of new contracts in both our North American and offshore markets," commented Terry Bergan, President and CEO. "These new orders, combined with the increase in our contracted orders in-house generated through the first nine months of the year, will contribute to improved performance next year and going forward."

IRD remains the world's largest provider of Weigh-In-Motion systems and solutions for the global Intelligent Transportation Systems (ITS) market. The Company has an installed base of more than 2,500 systems throughout North America, South and Central America, Europe, Asia and Australia.

Gross margin as a percentage of revenues was 29.9% for the third quarter of 2006 compared to 29.8% in the third quarter of the previous year. For the nine months ended August 31, 2006 gross margin was 31.6% compared to 30.9% for the same period last year. The increase in gross margin in the current year results from the sales mix including a larger proportion of higher margin IRD products and a smaller proportion of lower-margin OEM products and subcontract services than the prior year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$830,724 in the third quarter and \$1,713,594 for the first nine months of fiscal 2006 compared to \$970,899 and \$2,245,889 respectively last year. The Company generated net earnings of \$362,080 or \$0.03 per common share for the three months ended August 31, 2006 compared to \$406,810 or \$0.03 per common share for the same period last year. Due to the slow start to fiscal 2006, net earnings for the nine months ended August 31, 2006 were \$700,164 or \$0.05 per common share compared to \$935,598 or \$0.07 per common share last year.

IRD's balance sheet remained strong at the end of the third quarter with working capital of \$9.7 million compared to \$7.8 million at the end of fiscal 2005. Shareholders equity was at \$14.5 million or \$1.05 per common share at August 31, 2006.

A number of positive initiatives were completed during the quarter. The renewal of a number of maintenance contracts will add to the Company's recurring revenue going forward, which currently represents approximately 25% of total annual sales. Offshore sales had declined due to timing with certain customers, however management believes the pace of new orders for the Company's products will accelerate. In addition, the development of customer-specific value-added features for the Company's new in-vehicle driver management systems has been completed, and sales of these innovative systems are expected to grow going forward.

"These positive developments should add to our momentum in the quarters ahead," Mr. Bergan concluded. "In addition, we continue to experience increased demand for our proprietary Weigh-In-Motion, toll and data collection systems in many of our North American and international markets."

Financial Highlights (financial statements are available on the Company's web site)

Period Ended August 31,	Three Months		Nine Months	
	2006	2005	2006	2005
Sales:				
Canada	1,553,094	1,899,981	2,851,469	4,721,527
United States	5,637,776	6,376,972	12,466,173	14,581,232
International	1,956,464	1,804,647	7,352,911	6,594,141
	<b>9,147,334</b>	10,081,600	<b>22,670,553</b>	25,896,900
EBITDA	830,724	970,899	1,713,594	2,245,889
Net Earnings	362,080	406,810	700,164	935,598
Net Earnings per Common Share (basic)	\$0.03	\$0.03	\$0.05	\$0.07
Working Capital			9,690,300	8,498,878
Shareholders' Equity per Share			\$1.05	\$1.00
Common Shares Outstanding			13,867,226	13,800,543

*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, and includes gains or losses from foreign exchange and gains or losses from the Company's equity investment in PAT Brazil. 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 offshore. 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**