



## INTERNATIONAL ROAD DYNAMICS INC.

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**For Immediate Release**

### **IRD ANNOUNCES FOURTH QUARTER 2008 RESULTS**

**Saskatoon, April 27, 2009** - International Road Dynamics Inc. (IRD), the world's largest provider of Weigh-In-Motion systems and solutions for the global Intelligent Transportation Systems (ITS) market, today announced its results for the three months and year ended November 30, 2008.

Sales for the fourth quarter of fiscal 2008 increased 23.8% to \$12.3 million compared to \$9.9 million for the same period last year. The increase in sales in the fourth quarter was primarily due to the timing of delivery and installation for certain projects, higher international sales, as well as increased sales of commercial vehicle and toll road systems. For fiscal 2008, sales were \$38.7 million compared to \$39.8 million in fiscal 2007.

International sales continued to grow in the fourth quarter, rising to \$4.1 million compared to \$3.4 million for the same period last year. For the year ended November 30, 2008, international sales increased 21.4% to \$14.0 million compared to \$11.5 million in fiscal 2007. The increase in offshore sales was due primarily to increased revenues from toll systems and a significant weigh station delivery in the Middle East, as well as higher revenues from the Company's subsidiary in Chile. The Company expects revenues from its subsidiaries in Chile and India will continue to improve during 2009.

Revenues in the United States for the fourth quarter of fiscal 2008 improved 22.0% to \$6.6 million from \$5.4 million in the prior year period due primarily to the timing of the delivery and installation of contracts that had been delayed earlier in fiscal 2008. For the year ended November 30, 2008, sales in the US were \$20.1 million compared to \$22.7 million in fiscal 2007.

Canadian sales rose to \$1.6 million in the fourth quarter of fiscal 2008 compared to \$1.1 million in the prior year. For the year ended November 30, 2008, sales in Canada were \$4.6 million compared to \$5.6 million last year. Fiscal 2007 included substantial revenues from the delivery and installation of two large data collection and truck pre-clearance site contracts completed in the first half of that year. There were no similar contracts during fiscal 2008.

With the slowdown in the US economy, the Company is experiencing delays in the awarding of Federally-funded contracts for weigh station and data collection systems. Management believes that, based on early indications, the stimulus packages being implemented by the governments of both the United States and Canada may have a positive impact on the Company's business. As a result, the Company has increased its sales efforts in the city, municipal and private sectors in North America, and accelerated its efforts in specific international markets with higher growth potential, including India, China and Chile. During fiscal 2008, new contract awards to the Company's subsidiaries in India and Chile have exceeded forecasts, with the resulting revenues to continue to be realized into early fiscal 2009. In addition, management believes the acquisition of Xuzhou-PAT Control Technologies (XPCT) in China in the first quarter of 2008 will generate increased sales volumes in that region in 2009 and over the longer term.

“After a slow start to the year, we experienced solid growth through the fourth quarter as we generated strong sales increases in all of our geographic markets,” commented Randy Hanson, Executive Vice President and COO. “Looking ahead, our investments aimed at increasing our presence in international markets are resulting in steady increases in demand for our products and services in a number of regions, while our industry-leading presence and reputation in North America should generate increased business as government-led initiatives to enhance transportation infrastructure accelerate over the longer term.”

Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$0.6 million in the fourth quarter of fiscal 2008 compared to \$0.6 million in the same prior year period. EBITDA includes loss from equity investments of \$0.3 million compared with a loss from equity investments of \$0.2 million in the fourth quarter of 2007. For the year ended November 30, 2008 EBITDA was \$1.2 million compared to \$3.8 million last year.

Gross margin for the fourth quarter of 2008 was 27.4% of sales compared to 32.6% in the fourth quarter of 2007. For the year ended November 30, 2008 gross margin as a percentage of revenues was 28.8% compared to 31.9% for the same period in 2007. The decline in gross margin was due primarily to a provision for inventory obsolescence of approximately \$0.2 million recorded in the fourth quarter of 2008, and decreased offshore sales of product in 2008 compared with 2007.

Administrative and marketing expenses in fiscal 2008 have risen compared with the prior year due primarily to increased sales and marketing efforts. However, as a percentage of revenues administrative and marketing expenses in the fourth quarter of 2008 decreased to 18.1% compared to 21.1% for the same period in fiscal 2007. For fiscal 2008, administrative and marketing expenses as a percentage of revenues were 22.6% of sales compared to 21.0% in the prior fiscal year. Research and development costs increased in the fourth quarter and fiscal year compared to the same prior year periods due primarily to the Company’s active program of technology development aimed at adding additional functionality to products developed over the past several years. Amortization expense decreased in both the fourth quarter of fiscal 2008 as well as the year compared to the same periods in the prior year. Interest expense has increased in fiscal 2008 due to additional debt incurred to finance the construction of the Company’s new production facility and for the acquisition of XPCT in the first quarter of the year.

In the course of the audit of its financial statements for the year ended November 30, 2008 the Company discovered that it had incorrectly included in equity earnings currency gains on translation of its investment in XPCT in the first three quarters of fiscal 2008. These translation gains should have been reported as other comprehensive income in shareholders’ equity. In addition, certain expenses in the second quarter of 2008 were understated. In the aggregate, these adjustments had the effect of reducing net earnings reported previously for the first three quarters of fiscal 2008 by approximately \$0.7 million (\$0.05 per share) and increasing the accumulated other comprehensive income on the balance sheet by approximately \$0.7 million. The table below summarizes the items in the financial statements for the first three quarters of 2008 affected by this restatement. The restated financial statements for the first three quarters of fiscal 2008 are available on the Company’s web site and at [www.sedar.com](http://www.sedar.com).

	Aug 31, 2008	May 31, 2008	Feb 29, 2008
(in \$,000 except per share amounts)			
<b>Statement of Earnings</b>			
Earnings (loss) before income taxes			
Previous	\$ 616	\$ (220)	\$ (328)
Restated	\$ 304	\$ (688)	\$ (393)
Net earnings (loss)			
Previous	\$ 510	\$ (173)	\$ (156)
Restated	\$ 188	\$ (499)	\$ (231)
Earnings per share - basic & diluted			
Previous	\$ 0.03	\$ (0.01)	\$ (0.01)
Restated	\$ 0.01	\$ (0.03)	\$ (0.02)
<b>Balance Sheet</b>			
Accounts receivable			
Previous	\$ 15,434	\$ 10,269	\$ 8,605
Restated	\$ 14,999	\$ 9,833	\$ 8,605
Equity investments			
Previous	\$ 5,030	\$ 4,733	\$ 4,803
Restated	\$ 5,217	\$ 4,848	\$ 4,809
Future income taxes			
Previous	\$ 324	\$ 324	\$ 324
Restated	\$ 201	\$ 191	\$ 334
Accumulated other comprehensive income (loss)			
Previous	\$ (121)	\$ (136)	\$ (43)
Restated	\$ 561	\$ 133	\$ 56
Total assets			
Previous	\$ 40,505	\$ 35,505	\$ 34,001
Restated	\$ 40,341	\$ 35,241	\$ 34,035

In the fourth quarter of 2009 the Company generated net earnings of \$993 or \$0.00 per share compared to a net loss of \$(34,260) or \$0.00 per share for the fourth quarter of 2007. The Company reported a net loss of \$0.5 million or \$(0.04) per common share for the year ended November 30, 2008 primarily as a result of the loss from equity investments, specifically due to delays in contract awards in China and a sales tax reassessment in Brazil.

Under the terms and conditions of its credit facilities the Company is subject to certain covenants. These covenants require that the Company not exceed a certain maximum ratio of total liabilities to tangible net worth and that it maintain a certain minimum level of fixed charge coverage. At November 30, 2008 the Company was in breach of these covenants. Subsequent to November 30, 2008 the Company's bank agreed to tolerate the breach of these covenants as of the fiscal year ended November 30, 2008 and the first quarter ended February 28, 2009. In addition, it agreed to amend the existing covenants beginning with the first quarter of 2009 and add a third covenant requiring the Company to maintain a minimum amount of earnings before interest, taxes, depreciation and amortization (EBITDA) at the end of each fiscal quarter in 2009. The Company expects to be in compliance with these new covenants during fiscal 2009.

"Our revised bank covenants provide us with enhanced flexibility to work through the challenging economic environment we currently face and the ability to successfully execute our growth strategies over the longer term," commented Mel Karakochuk, Vice President Finance and CFO.

During the latter half of fiscal 2008, IRD established a new subsidiary in Africa to expand its presence in the region. This new venture enhances IRD's global presence and joins the Company's wholly and partially owned operations in Canada, the United States, China, Brazil, Mexico, India and Chile.

"Our solid performance in all our geographic regions and across most of our product lines in the fourth quarter bodes well for improved performance in 2009," concluded Terry Bergan, President and CEO. "The global Intelligent Transportation Systems business continues to present significant opportunity over the long-term as governments around the world invest in their highway and roadway infrastructure to enhance transportation efficiency and safety. As the world's leading provider of weigh-in-motion technologies and related products and systems, we are strongly positioned to take advantage of these opportunities."

Financial Highlights (financial statements are available on the Company's web site [www.irdinc.com](http://www.irdinc.com) )

Period Ended November 30	Three Months		Year	
	2008	2007	2008	2007
(in \$,000 except per share amounts)				
Sales	\$ 12,308	\$ 9,943	\$ 38,675	\$ 39,762
EBITDA	610	634	1,220	3,753
Net Earnings (Loss)	1	(34)	(541)	1,365
Net Earnings (Loss) per Common Share (basic)	\$ 0.00	\$ (0.00)	\$ (0.04)	\$ 0.10
Working Capital			4,150	9,581
Shareholders' Equity per Share			\$ 1.26	\$ 1.20
Common Shares Outstanding			13,977	13,930

As used herein, "EBITDA" means earnings before interest, income taxes, depreciation, and amortization, and includes gains or losses from foreign exchange and earnings or losses from the Company's equity investments. 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 Company's performance or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. The Company'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. The following is a reconciliation of EBITDA to net earnings:

Period Ended November 30	Three Months		Year	
	2008	2007	2008	2007
(in \$,000)				
EBITDA	\$ 610	\$ 634	\$ 1,220	\$ 3,753
Amortization expense	(236)	(330)	(1,058)	(1,069)
Interest expense	(275)	(190)	(840)	(610)
Income tax expense	(98)	(148)	137	(709)
Net earnings (loss)	\$ 1	\$ (34)	\$ (541)	\$ 1,365

*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.*

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 Canada 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.

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**IRD is listed on the TSX - trading symbol - IRD**

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