

TO OUR SHAREHOLDERS

I am pleased to present R.A.N.K.I.N. Technologies Inc. results for the second quarter ended October 31, 1999. These results are compared to those of R.A.N.K.I.N. Research Corporation, which was privately held throughout the compared period.

Revenues increased 141% to \$884,478 from \$366,824 in last year's comparable quarter. Net income before taxes was \$187,996 (\$.0085 per share) in this quarter ended October 31, 1999, compared to a loss of \$22,112 (.0015 per share) a year earlier.

For the six months ended October 31, 1999, revenues increased 128% to \$ 1,623,713 from \$ 710,797 in the first six months of 1998. Net income before taxes was \$ 344,751 (.0157 per share) in the first six months of 1999 compared to a loss of \$ 25,546 (.0017 per share) a year earlier.

In the quarter ended October 31, 1999, sales of Boomerang units rose by 162% to 2,128 activations from 813 a year earlier. These results reflect sales predominantly in the Provinces of Quebec and Ontario with a large percentage sold to individual customers rather than corporate accounts. For the six months ended October 31, 1999, sales of Boomerang units rose by 157% to 3,890 from 1,513 a year earlier.

During the second quarter, Rankin purchased a large quantity of raw materials for production inventory. This purchase was made to take advantage of substantially reduced prices.

We are pleased with the progress we made this year, and we thank you, our shareholders, for your loyal support. Through the dedication and efforts of our employees, we have strengthened our foundation and are now poised to enter a new millenium positioned for a new period of growth in earnings for periods to come.

We appreciate your continued support.



Peter Lashchuk  
*President*



## STATEMENT OF EARNINGS

	FOR THE PERIOD ENDED JANUARY 31		FOR THE THREE MONTHS ENDED		FOR THE NINE MONTHS ENDED	
	2000	1999	2000	1999	2000	1999
			(UNAUDITED)		(UNAUDITED)	
REVENUES	\$1,438,513	\$432,945	\$3,062,226	\$1,143,742		
<b>DIRECT COSTS</b>						
Inventory –beginning of period	337,474	116,046	54,950	26,241		
Purchases and direct costs	471,593	91,580	1,330,562	606,270		
Inventory –end of period	(364,192)	(85,341)	(364,192)	(85,341)		
	444,875	122,285	1,021,320	547,170		
Gross Margin	993,638	310,660	2,040,906	596,572		
<b>OPERATING EXPENSES</b>						
Selling	240,910	67,907	556,406	194,536		
General and administrative	306,184	178,728	683,439	360,685		
Financial	32,107	2,409	41,873	5,281		
	579,201	249,044	1,281,718	560,502		
NET EARNINGS BEFORE INCOME TAXES	\$414,437	\$ 61,616	\$759,188	\$ 36,070		
INCOME TAXES	\$149,600	N/A	\$271,252	N/A		
NET EARNING	\$264,837	\$ 61,616	\$487,936	\$ 36,070		
EARNINGS PER SHARE	0.0120	0.0041	0.0222	0.0024		
CLASS "A" SHARES ISSUED	22,000,000	15,200,000	22,000,000	15,200,000		

## STATEMENT OF CASH FLOWS

	FOR THE NINE MONTHS ENDED JANUARY 31	
	2000	1999
	(UNAUDITED)	
FUNDS PROVIDED (USED)		
<b>OPERATING ACTIVITIES</b>		
Net earnings	\$487,936	\$ 36,070
Amortization	38,029	19,928
Changes in non-cash operating elements of working capital	(666,263)	38,051
Cash flows used in operating activities	(140,298)	94,049
<b>FINANCING ACTIVITIES</b>		
Loans payable, directors	(4,233)	(6,000)
Cash flows used in financing activities	(4,233)	(6,000)
<b>INVESTING ACTIVITIES</b>		
Acquisition of business, net of cash acquired	367,918	-
Addition to fixed assets	(180,088)	(114,102)
Addition to patents	(7,987)	(6,509)
Cash flows used in investing activities	179,843	(120,611)
CASH AND CASH EQUIVALENTS INCREASE (DECREASE)	35,312	(32,562)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	70,401	( 2,189)
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	\$105,713	\$(34,751)