

### TO OUR SHAREHOLDERS

I am pleased to present R.A.N.K.I.N. Technologies Inc. results for the third quarter earnings ended January 31, 2000. These results are compared to those of R.A.N.K.I.N. Research Corporation, which was privately held throughout the compared period.

Rankin Technologies continues to grow at an exceptional rate, leading to record operating results for the third quarter. Overall, net earnings increased by 330% to \$264,837 (0.0120 per share) from \$61,616 (0.0041 per share) for the same quarter the previous year while revenues increased 232% to \$1,438,513 from \$432,945 in the last year's comparable period.

For the nine months ended January 31, 2000, revenues increased 168% to \$3,062,226 from \$1,143,742 compared to the same period in 1998-1999. Net earnings were \$487,936 (0.0222 per share) in the first nine months of 1999 compared to \$36,070 (0.0024 per share) a year earlier. For the nine months ended January 31, 2000, activations of Boomerang units rose by 241% to 7,800 from 2,285 a year earlier.

This past quarter has been a rewarding one for Rankin Technologies, one marked by numerous accomplishments, supporting Rankin's continued vision and focus. Rankin continues to sign agreements with leading national and multinational Insurance Companies in the provinces of Quebec and Ontario mandating the installation of the Boomerang unit in most new vehicles retailing for a value of \$30,000 or more. These agreements have led to an exponential increase in activations of Boomerang units from 772 in last year's third quarter compared to 3,910 in this year's. It is anticipated that some of these multinational Insurance Companies will extend their support of the Boomerang System in new markets both in Canada and abroad as Rankin continues its expansion nationally and internationally.

As previously reported, Rankin has entered into a license agreement for the Dominican Republic. Rankin is actively examining other foreign markets including the United States and is in serious discussions with wireless carriers and potential distributors and/or licensees in these markets granting to the licensee the right to use the Boomerang Tracking System including the right to distribute the Boomerang Tracking Device in the country.

We are confident that our expansion into foreign markets will continue at an aggressive rate. Our entry into new markets will be made through strategic alliances so as to realize rapid but controlled growth.

Our Board has been expanded to include highly respected members of the business and financial communities who will provide the additional experience required for our anticipated growth. We have appointed both Mr. Pierre Laurin, former Vice-Chairman of Merrill Lynch Canada and an Officer of the Order of Canada and Mr. Érik Péladeau, Chairman of the Board, Quebecor Communications Inc. and Vice-Chairman of the Board, Sun Media Corporation as Members of the Board of Directors. The solid business and financial experience that these gentlemen provide will prove to be an invaluable asset as Rankin Technologies proceeds with its intended expansion of the Boomerang System into the United States and other foreign markets.

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)		(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)