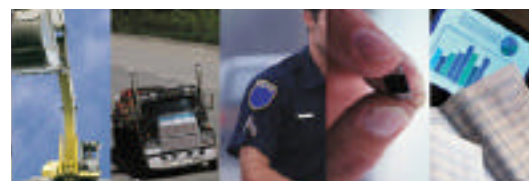


Boomerang Tracking Inc.



Second Quarter Report



For the period ended
October 31, 2000

To our shareholders

I am pleased to present Boomerang Tracking Inc. results for the second quarter ended October 31, 2000. Revenues grew nearly 300% to \$ 3.4 M from \$ 0.9 M in last year's comparable quarter. Second quarter net earnings grew 655% to over \$ 0.8 M (\$ 0.038 per share) from \$ 0.1 M (\$ 0.005 per share). Sales of Boomerang® units rose by 178% in the second quarter to 10,797 from 3,890 in the comparable period of the previous fiscal year.

For the six months ended October 31, 2000, revenues increased by 282% to \$ 6.2 M from \$ 1.6 M in the first six months of 1999. Net earnings increased by almost 620% to over \$ 1.5 M (\$ 0.069 per share) in the first six months of 2000 from \$ 0.2 M (\$ 0.010 per share) a year earlier. During the first six months ended October 31, 2000, sales of Boomerang® units rose by 237% to 20,927 from 6,202 the comparable period of the previous fiscal year.

We are extremely pleased with our continued growth in sales of the Boomerang® device. The insurance industry has clearly embraced the Boomerang® and the clear benefits which it provides to them in terms of cost savings.

To date, the Boomerang® has led to the recovery of approximately \$ 39 M worth of stolen vehicles, marine equipment and heavy equipment, benefiting both the insured and the insurer. Insurance companies throughout Canada are now recognizing the strength of the Boomerang® Tracking System which boasts an impressive 95% recovery rate. With over 90% of Quebec insurance companies mandating the installation of the Boomerang® device on most luxury and high-risk vehicles, we believe that the Boomerang® will become the insurance companies' choice solution to vehicle theft across Canada.

Boomerang Tracking Inc. seeks to continue to expand its profitability. Because the Company's tracking system makes use of existing cellular network platforms, it is capable of expanding into new markets with little capital outlay, therefore allowing it to focus its efforts on research and development and marketing initiatives.

We appreciate your continued support.

Peter Lashchuk
President

Boomerang Tracking Inc.

Balance Sheet

(Thousands of dollars)
(Unaudited)

	As at October 31, 2000	
	2000	1999
Assets		
Current		
Cash	\$ 1,874	77
Accounts receivable	3,194	842
Inventories	645	337
Prepaid expenses	876	216
	6,589	1,472
Fixed Assets (net)	433	211
Patents and Trademarks	48	17
(net of accumulated amortization of : \$24 ; 1999: \$8)		
	\$ 7,070	1,701
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 1,677	388
Income taxes payable	699	120
Deferred revenue	1,603	381
	3,979	890
Deferred Revenue	409	96
Shareholders` Equity		
Capital Stock	519	496
Retained Earnings	2,162	220
	2,681	714
	\$ 7,069	1,701

Second Quarter Report 2000

Boomerang Tracking Inc.

Statement of Cash Flows

(Thousands of dollars)
(Unaudited)

	3 Months Ended October 31		6 Months Ended October 31	
	2000	1999	2000	1999
Funds Provided (Used) By Operating Activities				
Net earnings	\$ 842	112	1,525	213
Amortization	35	12	59	23
	878	124	1,584	236
Changes in non-cash operating elements of working capital	(11)	(414)	(1,273)	(698)
	867	(290)	311	(462)
Financing Activities				
Issue of class "A" shares	23	-	23	-
Deferred revenues	360	113	983	199
	383	113	1,006	199
Investing Activities				
Acquisition of business, net of cash acquired	-	-	-	378
Addition to fixed assets	(166)	(80)	(214)	(104)
Additions to patents	(7)	(3)	(19)	(5)
	(173)	(83)	(233)	269
Increase (decrease) in Cash	1,077	(260)	1,084	6
Cash				
Beginning of Period	797	337	791	71
End of Period	\$ 1,874	77	1,874	77

Second Quarter Report 2000

Boomerang Tracking Inc.

Statement of Earnings

(Thousands except
earnings per share
information)
(Unaudited)

	3 Months Ended October 31		6 Months Ended October 31	
	2000	1999	2000	1999
Revenues	\$ 3,446	884	6,198	1,624
Expenses	2,014	671	3,647	1,239
Except the following- Amortization	35	13	59	23
Research and development	48	12	75	26
Interest	-	1	1	1
	2,098	696	3,782	1,290
Earnings Before Income Taxes	1,347	188	2,416	334
Income Taxes	505	76	891	122
Net Earnings	842	112	1,525	213
Earnings per share (Basic)	\$ 0.038	0.005	0.069	0.010
Weighted Average Number of Shares Outstanding	22,003	22,000	22,002	22,000

This report may contain forward-looking statements, which reflect the Company's current expectation regarding future events. The forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors. Investors should consult the Company's ongoing quarterly filings, annual reports and proxy solicitation filings for additional information on risks and uncertainties relating to these forward-looking statements. The reader is cautioned not to rely on these forward-looking statements and the Company disclaims any obligation to update them.

FOR ANY QUESTIONS OR INFORMATION :

Linda Farha
Director, Marketing, Communications and investor relations

Tel: 514.234.8722 or 1.877.8722 extension 311
lfarha@boomerangtracking.com

9280 de l'Acadie Boulevard, Montreal, Quebec H4N 3C5

www.boomerangtracking.com