



Third Quarter Report



For the period ended
January 31, 2001

Boomerang Tracking Inc.

To our shareholders

I am pleased to present Boomerang Tracking Inc.'s results for the third quarter ended January 31, 2001. Revenues grew to \$3.5 million for the third quarter, a 142% increase over the \$1.4 million for last year's comparable quarter. Third quarter net earnings grew 139% to over \$0.6 million (\$0.029 per share) from \$0.3 million (\$0.012 per share). Activations of Boomerang® units rose by 164% in the third quarter to 10,769 from 4,080 in the comparable period of the previous fiscal year.

For the nine months ended January 31, 2001, revenues increased by 216% to \$9.7 million from \$3.1 million in the first nine months of 2000. Net earnings increased by 352% to over \$2.1 million (\$0.098 per share) in the first nine months of 2001 from \$0.5 million (\$0.022 per share) a year earlier. During the first nine months ended January 31, 2001, activations of Boomerang® units rose by 254% to 28,660 from 8,090 the comparable period of the previous fiscal year.

Boomerang's cumulative activations have soared to over 47,000 as at January 31, 2001 with over 39,000 subscribers in the province of Quebec and 8,000 in Ontario.

Boomerang Tracking Inc. has evolved tremendously over this last quarter. The Company's strategy for 2001 is to continue profitable growth in the Quebec and Ontario markets, further develop the support from the insurance industry and strengthen investor relations.

During this quarter, we added seasoned employees, hired a Vice President and Chief Financial Officer, Jacques Deforges, formerly Vice President and Corporate Treasurer for Teleglobe Inc., and appointed a new director, André Tremblay, President and Chief Executive Officer of Microcell Telecommunications Inc. As part of our strategy for increased visibility in the investment community, Boomerang Tracking Inc. now trades on the TSE. We are pleased with this change as it provides the required platform for a company planning on developing a stronger presence in the international marketplace.

We appreciate your continued support.

Peter Lashchuk
President

Boomerang Tracking Inc.

Balance Sheet

(Thousands of dollars)
(Unaudited)

	As at January 31	
	2001	2000
Current Assets		
Cash and cash equivalents	\$ 2,880	106
Accounts receivable	2,849	1,310
Inventories	742	364
Prepaid expenses	917	300
	7,388	2,080
Fixed Assets	716	274
(net of accumulated amortization of: 2001: \$186 ; 2000 : \$69)		
Patents and trademarks	116	19
(net of accumulated amortization of: 2001: \$31 ; 2000 : \$10)		
Future income taxes	52	-
	8,272	2,373
Current liabilities		
Accounts payable and accrued liabilities	1,572	708
Income taxes payable	957	-
Deferred revenues	2,039	620
	4,568	1,328
Deferred Revenues	465	76
Shareholders' Equity		
Capital stock	532	485
Retained earnings	2,707	484
	3,239	969
	\$ 8,272	2,373

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Statement of Cash Flows

(Thousands of dollars)
(Unaudited)

	3 Months ended January 31		9 Months ended January 31	
	2001	2000	2001	2000
Funds provided (used) by Operating activities				
Net earnings	\$ 630	264	2,155	477
Amortization	41	15	100	38
	671	279	2,255	515
Changes in non-cash operating elements of working capital	358	(379)	(915)	(1,077)
Future income taxes	(52)	-	(52)	-
	977	(100)	1,288	(562)
Financing activities				
Issue of class "A" shares	13	-	36	-
Deferred revenues	491	218	1,474	417
Stock listing costs (net of taxes)	(85)	-	(85)	-
	419	218	1,425	417
Investing activities				
Acquisition of business net of cash acquired	-	(10)	-	368
Additions to fixed assets	(317)	(79)	(531)	(183)
Additions to patents	(74)	-	(93)	(5)
	(391)	(89)	(624)	180
Increase in cash and cash equivalents	1,005	29	2,089	35
Cash and cash equivalents				
Beginning of period	1,875	77	791	71
End of period	\$ 2,880	106	2,880	106

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Statement of earnings

(Thousands of dollars except
earnings per share information)
(Unaudited)

	3 Months ended January 31		9 Months ended January 31	
	2001	2000	2001	2000
Revenues	\$ 3,481	1,438	9,679	3,062
Expenses	2,374	1,002	6,021	2,242
Except the following -				
Amortization	41	15	100	38
Research and development	7	7	82	33
Interest	-	-	1	1
	2,422	1,024	6,204	2,314
Earnings before income taxes	1,059	414	3,475	748
Income taxes	429	150	1,320	271
Net earnings	630	264	2,155	477
Earnings per share				
Basic	\$ 0.029	0.012	0.098	0.022
Weighted average number of shares outstanding (Thousands)	22,030	22,000	22,008	22,000

This report may contain forward-looking statements, which reflect the Company's current expectations 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 MORE INFORMATION :

Jacques Deforges
Vice President and
Chief Financial Officer

Linda Farha
Director of Marketing,
Communications and
Investor Relations

jdeforges@boomerangtracking.com
T 1.877.777.8722 extension 486

lfarha@boomerangtracking.com
T 1.877.777.8722 extension 311

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

www.boomerangtracking.com