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**PRESS RELEASE**  
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## **Boomerang Tracking Reports Third Quarter 2003 Results**

The Company realizes record revenues while continuing to focus on new markets

### **THIRD QUARTER HIGHLIGHTS:**

- **REVENUES UP 18% TO A RECORD \$5.26 MILLION**
- **REVENUES FROM SERVICE CONTRACTS UP TO A RECORD \$3.25 MILLION**
- **ACTIVATIONS IN ONTARIO STEADILY GROWING WITH 1,000 NEW INSTALLATIONS**

**MONTREAL, Quebec, March 3, 2003** - Boomerang Tracking Inc. (TSX: BMG), the Canadian leader in stolen asset recovery, announced today its results for the three-month period ended January 31, 2003.

For the third quarter ended January 31, 2003, the Company realized record revenues of \$5.26 million, representing an increase of 18% compared to revenues of approximately \$4.44 million for the same period last year.

Revenues from service contracts jumped by 38% to a record \$3.25 million during the third quarter of fiscal 2003, from \$2.36 million during the same period last year. New activations of Boomerang units in the third quarter were 9,812 units versus 11,655 units in the third quarter of the previous fiscal year. The Company continued to realize a constant growth of revenues derived from service contracts attributable, in part, to the Company's customer retention and loyalty programs which accounted for over 2,000 Boomerang devices being transferred to new vehicles in the last quarter alone.

Third quarter net earnings were \$0.12 million (\$0.01 per share) versus net earnings of \$0.17 million (\$0.01 per share) for the same period last year. Unusual items were incurred during the past quarter, which accounted for the reduction in net earnings from 4.8% to the reported 2.4%, compared to 3.8% for the same period last year. Therefore, had it not been for these unusual items, the net earnings would have been 1% higher this past quarter than the same quarter last year. These unusual items consist of severance costs amounting to \$0.10 million resulting from an internal reorganization, and a provision in the same amount regarding a potential claim against the Company with regards to tax credits claimed. This reorganization was necessary to ensure that the allocation of the Company's resources remained consistent with the Company's long-range objectives; the non-recurring costs relating to this reorganization will lead to savings in future quarters.

During the period, the Company also continued to invest steadily in research and development undertakings as well as in the development of new markets, mainly in Ontario and in the United States. The Company's focused efforts in Ontario also produced record results in this market, achieving 1,000 new activations last quarter, a milestone in the Company's history.

For the nine months ended January 31, 2003, revenues increased by 20% to a record \$15.17 million, compared to \$12.62 million for the nine months ended January 31, 2002. Net earnings were \$1.01 (\$0.05 per share) for the first nine months of fiscal 2003, compared to \$1.37 (\$0.06 per share) for the first nine months of the previous year. Revenues from service contracts jumped by 46% to \$9.19 million for the first nine-month period of fiscal 2003 from \$6.30 million during the same period last year. During this period, new Boomerang activations were 31,953 compared to 35,425 for the same period last year.

For the nine months ended January 31, 2003, the Company repurchased a total of 112,400 shares for cancellation, within the Normal Course Issuer Bid, which took effect May 1, 2002.

"We are proud of our sustained profitable growth, the success of our retention programs and our record results in Ontario, a positive step in our development outside the Quebec market," stated Peter Lashchuk, President and CEO, Boomerang Tracking Inc. "In addition, our Canadian and U.S. teams are aggressively building the foundation for a successful penetration of the U.S. market. We are focused and eager to achieve this important milestone. Furthermore, our debt-free status combined with a liquidity representing 52% of total assets enables us to internally finance these initiatives," concluded Mr. Lashchuk.

In this past quarter, the Company saw the departure of Ms. Linda Farha, Vice-president, Marketing and Communications. During her tenure, Ms. Farha contributed to the development of the Company's brand awareness in the marketplace. As part of her mandate, she also oversaw the Customer Service department and Investor Relations.

### **Additional Support and Progress in Ontario**

Further inroads with the insurance industry were also been realized during this last quarter. The Company added two new insurers in Ontario who now offer premium discounts for the installation of the Boomerang tracking device on personal, recreational and transport vehicles. The Company also continued liaising with insurers in this market who currently endorse, and in some cases, mandate the installation of the Boomerang tracking devices on certain luxury and high-risk vehicles, commercial fleets, marinecraft and construction equipment. The Company continued to focus on forging strong strategic ties with Ontario insurers by educating the industry on the benefits of the Company's products, services and technology.

### **Numbers That Speak Volumes**

To date, the Boomerang Tracking System has been instrumental in the recovery of more than 2,200 vehicles and other valuable assets, including incidental recoveries, representing a total value of over \$112 million. The Company benefits from the support of national insurers and the law enforcement community who recognize the benefits of the Company's tracking devices.

## Financial Highlights

### Statement of Earnings

(Thousands of dollars except net earnings per share information)

	For the three months ended January 31			For the nine months ended January 31		
	2003 (Unaudited)	2002 (Unaudited)	Change	2003 (Unaudited)	2002 (Unaudited)	Change
<b>Revenues</b>	\$ 5,261	\$ 4,444	18%	\$ 15,165	\$ 12,621	20%
<b>Unusual Items (note 3)</b>	<b>200</b>	-		<b>200</b>	-	
<b>Earnings before income taxes</b>	<b>180</b>	267	-33%	<b>1,598</b>	2,177	-27%
<b>Net Earnings</b>	<b>124</b>	168	-26%	<b>1,007</b>	1,367	-26%
<b>Net Earnings per Share</b>						
Basic	\$ 0.006	\$ 0.008	-25%	\$ 0.045	\$ 0.061	-27%
Diluted	\$ 0.006	\$ 0.007	-14%	\$ 0.045	\$ 0.060	-26%
<b>Weighted Average Number of Shares Outstanding</b>						
Basic	<b>22,217,600</b>	22,330,000	-1%	<b>22,278,931</b>	22,300,759	0%
Diluted	<b>22,525,785</b>	22,542,226	0%	<b>22,584,622</b>	22,627,271	0%

## **Interim Management's Discussion & Analysis of Financial Condition and Results of Operations for the three months ended January 31, 2003**

### **Results of Operations**

#### *Revenues*

For the third quarter ended January 31, 2003 the Company realized record revenues of \$5.26 million, representing an increase of 18% compared to revenues of approximately \$4.44 million for the same period last year.

More specifically, revenues from service contracts jumped by 38% to a record \$3.25 million, from \$2.36 million during the same period last year, and product sales decreased by \$0.09 million (or 5%). New Boomerang and Boomerang2 devices activated and covered by service contracts were 9,812 for the quarter ended January 31, 2003, as compared to 11,655 units for the same quarter last year. The Company continued to realize a constant growth of revenues derived from service contracts attributable, in part, to the Company's customer retention and loyalty programs which accounted for over 2,000 Boomerang devices being transferred to new vehicles in the last quarter alone. In the summer of 2002, the Company reduced its number of independent authorized dealers reselling the Boomerang tracking devices by 50% in the province of Quebec. This measure has led to a reduction in product sales, but has permitted the Company increased control over the quality of installation of its devices, a critical element for its continued success.

Service contracts are available primarily on a 12-, 24- or 36-month basis. All services are covered by contracts and, in most cases, payable in full upon activation and/or renewal. For accounting purposes, revenue is recognized over the term of the contract, resulting in deferred revenue of \$8.59 million as at January 31, 2003, of which \$7.15 million will be recognized during the next twelve months. This compares to \$6.97 million, and \$5.88 million respectively as at January 31, 2002.

#### *Operating Expenses*

Unusual items were incurred during the past quarter. These unusual items consist of severance costs amounting to \$0.10 million resulting from an internal reorganization, and a provision in the same amount regarding a potential claim against the Company with regards to tax credits claimed. The provision has been included in accrued liabilities and is based on management's best estimate. The Company cannot predict the outcome of the claim at this time, but management is of the opinion that the potential liability will not have a material adverse effect on the financial position or results of the Company.

The major costs involved in asset tracking are the fees related to the services provided by wireless network carriers, for which the Company and such carriers have entered into agreements.

Selling, general administration and research and development expenses were 3% lower in the quarter ended January 31, 2003, compared to the same quarter last fiscal year, while the Company's sales have increased by 18% during the same period.

#### *Depreciation and Amortization*

For the third quarter ended January 31, 2003, quarterly depreciation and amortization of fixed assets increased to \$0.26 million from \$0.16 million in the quarter ended January 31, 2002. The increase is attributable to the implementation of a state-of-the-art information system launched in July 2002.

#### *Income Taxes*

Income tax expenses in the third quarter ended January 31, 2003, amounted to \$0.06 million, as compared to \$0.10 million for the same period in the last fiscal year.

### *Net Earnings*

As stated above in the Operating Expenses section, the third quarter net earnings were affected due to unusual items.

In the third quarter of fiscal 2003, reported net earnings were 2.4% as compared to 3.8% for the same quarter of the previous year. Net earnings decreased by \$0.05 million to \$0.12 million, against comparable net earnings of \$0.17 million for the same quarter a year ago. In the quarter ended January 31, 2003, earnings per share decreased by \$0.002 to \$0.006 as compared to \$0.008 for the same period in the last fiscal year.

Without the impact of the unusual items, the net earnings for the third quarter would have been at 4.8% and the earnings per share would have been at \$0.011. Therefore, the net earnings would have been 1% higher this past quarter than for the same quarter last year.

### **Liquidity and Financial Resources**

The Company maintains its excellent financial health with its ongoing strong balance sheet with no external debt. During the third quarter of operations in fiscal 2003, the cash resources increased by \$0.95 million to \$8.55 million (including short-term investments of \$5.27 million with maturity dates up to April 2003).

The increase in liquidity is due to cash generated by operating activities of \$1.11 million, and outflows from expenditures for fixed and intangible assets of \$0.17 million.

Operating cash flow (representing cash provided by operating activities before changes in working capital items) in the quarter ended January 31, 2003, increased to \$0.46 million compared to \$0.36 million for the same period last year. The sequential and year-over-year positive operating cash flow reflects the efficiency of Boomerang Tracking in generating profits while expanding its internal infrastructures.

The Company's working capital (current assets less current liabilities) increased to \$3.77 million as at January 31, 2003, from \$2.89 million in the same quarter last year. The working capital ratio increased slightly to 1.40 as compared to 1.37 for the same period last year.

The Company believes that its cash resources as at January 31, 2003, together with cash flow from future operations, will provide it with sufficient funds to meet its operating and capital expenditure requirements for the upcoming year. Operations are expected to continue to generate positive cash flow into the future. Excess cash is invested by the Company in short-term instruments with financially sound institutions and is readily available when the need for funds arises.

### **Risks and Uncertainties**

The Boomerang Tracking System employs proprietary cellular-based tracking devices. At present, there are no known direct competitors in the marketplace using the same technology and locating process as the Company.

Although the Company is profitable and growing, there is no certainty that it will be able to compete with larger, more financially secure competitors in the marketplace.

The Company is currently heavily dependent on its alliance with wireless carriers and insurance companies. The continued existence of these strategic alliances is important for the ongoing development of new and existing markets.

The Company's continued success will be dependent on the performance and continued service of its executive officers and certain key employees. The loss of any of these individuals could have a material adverse impact on the Company's business.

Due to the nature of its financial instruments, the Company has limited exposure to market risk. As at January 31, 2003, the Company's financial instruments consisted of cash and cash equivalents, short-term investments, account receivable, accounts payable and accrued liabilities. These financial instruments are short-term in nature and, as such, their carrying values approximate their fair values.

With respect to its holding of short-term investments, the Company may be exposed to a credit loss in the event of non-performance by the counter parties to these contracts, but does not anticipate such non-performance. The Company manages this credit risk by dealing only with financially sound counter parties.

The Company, in the normal course of business, monitors the financial condition of its customers. Except as mentioned in note 12 to the audited financial statements of the Company for the year ended April 30, 2002, the Company does not have significant exposure to any individual customer or counter party. The Company establishes an allowance for doubtful accounts that corresponds to the credit risk of its specific customers, historical trends and economic circumstances. The Company does not believe that it is exposed to an unusual level of customer credit risk.

### **About Boomerang Tracking Inc.**

Boomerang Tracking Inc. assembles, markets and distributes the Boomerang Tracking System, a proprietary product using technology patented by the Company. The Boomerang and Boomerang2 devices are the central devices in a cellular-based asset tracking system utilizing the wireless systems of major regional telecommunications companies. The Boomerang Tracking System is capable of locating stolen automobiles, heavy equipment and valuable objects. The Company's proven recovery record has received endorsement by members of the insurance industry. The Boomerang Tracking System is installed through a network of authorized dealers located throughout the provinces of Quebec, Ontario and British Columbia. The Company's head office, research and development, production and corporate installation facilities are located in Montreal, Quebec. Boomerang is a registered trademark of Boomerang Tracking Inc. The shares of Boomerang Tracking Inc. trade on The Toronto Stock Exchange under the symbol BMG.

### **Forward Looking Statements**

*This press release 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 the 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.*

*No regulatory authority has approved or disapproved of the information contained herein.*

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