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## PRESS RELEASE

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### **BOOMERANG TRACKING INC. REPORTS FOURTH QUARTER 2002 RESULTS**

Boomerang Tracking realizes goal for increased penetration in the Ontario market in last quarter of 2002

#### **YEAR-END HIGHLIGHTS:**

- **REVENUES UP 45% TO \$17.5 MILLION**
- **NEW BOOMERANG® ACTIVATIONS INCREASED BY 19% TO 46,486**
- **ALMOST \$90 MILLION IN RECOVERED STOLEN ASSETS TO DATE**
- **ALMOST 104,500 BOOMERANG UNITS ACTIVATED AS AT APRIL 30**
- **NEW DIRECTOR OF SALES AND DIRECTOR OF TECHNICAL SERVICES HIRED FOR THE U.S.**
- **COMPANY READIES ITSELF FOR EXPECTED FUTURE GROWTH THROUGH SUBSTANTIAL INVESTMENTS**

**MONTREAL, Quebec, July 12, 2002** - Boomerang Tracking Inc. (TSX: BMG), the Canadian leader in stolen asset recovery, today announced record fourth quarter revenues for the three-month period ended April 30, 2002.

For the fourth quarter ended April 30, 2002, the Company recorded revenues of over \$4.8 million, representing an increase of 39% compared to revenues of approximately \$3.5 million for the same period last year. Fourth quarter net earnings were \$0.46 million (\$0.020 per share) versus net earnings of \$0.60 million (\$0.027 per share) for the same period last year. Monitoring revenues increased by 72% to \$2.6 million, from \$1.5 million during the same period last year. New activations of Boomerang units in the fourth quarter rose by 6.3% to 11,061 units from 10,404 units in the fourth quarter of the previous fiscal year.

For the fiscal year ended April 30, 2002, revenues increased by 45% to \$17.5 million, compared to \$12.0 million for the fiscal year ended April 30, 2001. Net earnings were \$1.8 million (\$0.082 per share) for fiscal 2002, compared to \$2.1 million (\$0.094 per share) for the previous fiscal year. Monitoring revenues increased by 103% in fiscal 2002 to \$8.9 million, from \$4.4 million during fiscal 2001. During fiscal 2002, new activations of Boomerang units increased by 19% to 46,486 units from 39,064 units in fiscal 2001.

In announcing Boomerang's quarterly results, Peter Lashchuk, President and CEO of the Company, commented: "Throughout the year, we have been very active in laying the foundation for future growth, with the launch of several focused strategic initiatives. The Company invested substantially in fiscal 2002 in key areas such as research and development, human resources, marketing initiatives and internal infrastructures, while at the same time maintaining profitable growth. We experienced significant progress in this last fiscal year, which positions us well for the challenges and opportunities that lie ahead in fiscal 2003."

#### **Fiscal 2002 in Review**

In late October 2001, the Company launched its second-generation Boomerang - the Boomerang2™ tracking device which provides instant-theft notification and, as a result, an immediate response to stolen vehicles. This new Boomerang device has exceeded initial sales expectations and the Company expects this trend to continue.

During fiscal 2002, the Company's Vice President, Technology, André Boulay, was named Entrepreneur of the Year for Quebec in the category of Business-to-Consumer Products and Services through the Ernst & Young Entrepreneur of the Year Awards. These awards honour entrepreneurs who have demonstrated excellence and extraordinary success in specific areas of concentration.

During the year, the Company was named one of Montreal Business Magazine's Top 30 small to medium-sized companies in Quebec for the second consecutive year – a designation based on leading growth performers. In addition, based on the recommendations of an independent jury of business and academic leaders, the Company was presented with a "Performance Award" in the Technology (Small and Medium-sized Business) category by Le Journal des Affaires, a Montreal-based business publication.

The Company celebrated a significant milestone on March 20, 2002, with its 100,000th Boomerang activation. Since then, an additional 4,395 Boomerang and Boomerang2 units have been installed and activated. Since 1999, the Boomerang Tracking System has led to the recovery of almost 1,770 vehicles and other valuable assets, including incidental recoveries, representing a total value of almost \$90 million.

Starting January 2002, the Company has been in the process of implementing an information system platform from J.D. Edwards, one of the world's top enterprise software developers. The Company launched this new solution on July 2, 2002 including an e-commerce site capable of transacting directly with Boomerang authorized dealers. This state-of-the-art-system will not only support the Company's extensive supplier network and help manage the sophisticated demands and needs of over 100,000 subscribers, but will also enable the Company to serve an increasingly larger customer base as it expands throughout Canada and the U.S. It is anticipated that this new platform will provide the elements required for better dealer support, improved customer service, market intelligence and reporting capabilities.

Major initiatives in fiscal 2002 also included the launch of the Boomerang Elite Program, a value-added program designed to offer a multitude of benefits to customers who buy either the Boomerang or Boomerang2 tracking devices through authorized new car dealers. This program has allowed the Company to expand its share of the vehicle recovery market through a network of new car dealerships in Ontario and Quebec and has provided a new product offering and revenue source to new car dealers.

With the ultimate goal being to maximize the number of recoveries, the Company has streamlined its distribution network of authorized dealers, primarily in the province of Quebec, and has introduced a *Total Quality Program*. This program includes a stringent certification process, an ongoing training program for all certified installers as well as an annual re-certification process. Additional resources may be required to ensure that rotational inspections of all installers are performed to meet the Company's overall goal of excellence in providing its customers with the best service possible.

### **Continued Momentum in Quebec**

Over the past year, the Company has worked closely with Quebec-based insurers to increase their support of the Boomerang and Boomerang2 tracking devices. This has resulted in broader support for the Company's tracking devices, with insurers now mandating their installation. The Company is also receiving support from Quebec-based insurance companies that do not recognize vehicles equipped only with manufacturer-installed GPS systems.

Improved customer service programs are now being developed in order to maintain existing subscribers as the Company attracts new customers of the Boomerang Tracking System.

### **Progress in Ontario**

The past 12 months saw further development in Ontario. From a market demand perspective, the Company has attracted the interest of important vertical markets in the province, including fleet, construction and additional distribution channels such as new car dealers. Contributing to this situation is the fact that the Company has forged agreements with key Ontario-based insurers who either recommend or mandate the installation of Boomerang tracking devices in certain luxury and high-risk vehicles, commercial fleets, marine crafts, and construction equipment. In turn, owners of vehicles equipped with the devices in many cases may receive premium discounts or rebates.

The Company is in the process of building an infrastructure for its anticipated growth in the Ontario market. Recently, regional facilities were opened in both Mississauga and Ottawa to support its existing customers in the region and its further expansion in the Ontario market.

### **Market Penetration**

Since the Company's inception, customers have installed and activated almost 104,500 Boomerang and Boomerang2 devices, barely scratching the surface in terms of the Company's potential target markets. As it expands across Canada and the U.S., the Company expects to develop untapped and latent opportunities in the asset tracking and recovery market. At present, the Company is looking at several vertical markets in order to not only expand geographically but to also diversify its current revenue stream.

### **Development in the United States**

After signing an agreement in September 2001 with the second largest wireless carrier in the U.S., the Company has taken initial steps towards market-readiness in this vast arena.

In addition to Tim Flusche, Managing Director, U.S. Operations, the Company appointed Edward Meenan as Director of Sales and Steve Niemi as Director of Technical Services. Initial responsibilities will include solidifying distribution networks, developing insurer relationships, creating logistical and operational standards and building the foundation for the rollout phase in specific geographic markets in the U.S.

Stated Peter Lashchuk: "These appointments represent our commitment to building a talented management team that will move our business forward in the U.S. Each individual will be an asset in launching the GSM-based Boomerang device in the U.S. and in helping the Company position itself for significant growth in this market."

The potential of the Company's GSM-based Boomerang device, which was specifically developed for the wireless GSM network, is impressive. This device, which is currently in the testing phase, will provide instant theft notification and permit a variety of telematic features. Most importantly, it will enable the Company to market and distribute its tracking system in the U.S., the largest market in the world, with nominal infrastructure investment. With over 210 million registered vehicles and more than 8.7 million new vehicles sold each year, the U.S. represents great market potential for the Company.

## Financial Highlights

### Statement of Earnings

(Thousands of dollars except earnings per share information)

(Unaudited)

	For the three months ended April 30			For the twelve months ended April 30		
	2002 (Unaudited)	2001 (Unaudited)	Change	2002 (Unaudited)	2001 (Audited)	Change
<b>Revenues</b>	\$ 4,830	\$ 3,486	39%	\$ 17,451	12,029	45%
<b>Earnings before income taxes</b>	707	1,007	-30%	2,884	3,383	-15%
<b>Net Earnings</b>	457	602	-24%	1,824	2,074	-12%
<b>Net Earnings Per Share</b>						
Basic	\$ 0.020	\$ 0.027	-27%	\$ 0.082	0.094	-13%
Diluted	\$ 0.020	\$ 0.026	-23%	\$ 0.081	0.092	-12%
<b>Weighted Average Number of Shares Outstanding</b>						
Basic	22,330,000	22,051,225	1%	22,307,889	22,021,304	1%
Diluted	22,658,144	22,892,585	-1%	22,616,622	22,592,654	0%

### 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.

*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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