

Thursday, July 5, 2001

PRESS RELEASE



Boomerang Tracking Reports Year End Results

- **REVENUES UP 168% TO \$12.0 MILLION**
- **NET EARNINGS UP 674% TO \$2.1 MILLION**
- **EPS UP 683% to \$0.094**
- **OVER 58,000 BOOMERANG® UNITS ACTIVATED TO DATE**

MONTREAL, Quebec, July 5, 2001 – Boomerang Tracking Inc. (TSE: BMG) recorded revenues of \$3.4 million for the fourth quarter ended April 30, 2001, representing an increase of 99% compared to revenues of \$1.7 million in the same quarter in the previous year. Fourth quarter net earnings grew to \$0.6 million (\$0.027 per share) from a net loss of \$0.03 million in the same quarter in the previous year. New activations of Boomerang® units rose by 80% in the fourth quarter to 10,404 from 5,773 in the comparable period of the previous fiscal year.

For the full year, the Company's revenues were \$12.0 million, up 168% from revenues of \$4.5 million in fiscal 2000. Fiscal 2001 net earnings totalled \$2.1 million, up 674% from \$0.3 million in fiscal 2000. Earnings per share increased by 683% to \$ 0.094 in fiscal 2001 from \$ 0.012 in fiscal 2000. A total of 39,064 new Boomerang units were activated in fiscal 2001, up 182% from last fiscal year.

"We are very pleased with the progress made by Boomerang during fiscal 2001 and with our overall financial results," said Peter Lashchuk, President and CEO of the Company. "Boomerang has achieved many milestones over these past 12 months. The Company, which was recently listed on the TSE, has agreements with 32 insurance companies in Quebec and 14 in Ontario and, as at the end of fiscal 2001, recovered a total of over 1,000 vehicles valued at more than \$50.0 million. These results were all achieved while maintaining positive cash flows and profitable results."

Fiscal 2002

For fiscal 2002, the Company will focus on specific goals: new product development, geographic expansion and improved support functions. As the Company enters new markets, increased expenses in sales, marketing and R&D are expected.

"Boomerang clearly provides a viable, unique and cost-effective solution to a very real problem," said Peter Lashchuk. "The success of the Company's proprietary Boomerang Tracking System is attributable to its unique strengths: its use of existing cellular networks, our in-house tracking team which provide immediate attention to customer needs, the advantages of our tracking technologies over other tracking systems such as GPS and the fact that the Boomerang unit itself is hidden in an undisclosed location in the asset in which it is installed."

Market Demand

The global demand for security and protection of personal assets is on the rise. Vehicle theft, in particular, has become a serious problem over the past few years, as thieves are stealing vehicles for the purpose of reselling them either overseas or domestically for parts. In fact, last year, over 20,000 stolen vehicles were exported from Canada and insurers lost over \$1 billion to vehicle theft. Since even sophisticated anti-theft devices can be defeated, Boomerang provides the ultimate solution to this problem.

Change in Accounting Policy

During the fourth quarter of fiscal 2001, the Company changed its accounting policy for revenue recognition of system access fees. The Company recognizes system access fees over the term of the related monitoring contract and no longer differentiates between system access fees and monitoring fees. Under the previous policy, revenue from system access fees was recognized upon installation, while monitoring fees were recognized over the term of contract. This change decreases revenues and earnings for fiscal 2001, has no effect on the Company's cash flows, and will be recovered in future periods. This change in policy was implemented during the fourth quarter with retroactive restatement of prior periods and is consistent with practices followed by other companies in Canada and the United States in similar industries.

Financial Highlights

Statement of Earnings

(Thousands of dollars except earnings per share information)

	For the three months ended			For the 12 months ended		
	April 30 (1)			April 30 (1)		
	2001	2000	Change	2001	2000	Change
Revenues	\$ 3,448	\$ 1,736	99%	\$ 12,029	\$ 4,490	168%
Earnings (loss) before income taxes	1,005	(42)	N.A.	3,383	398	750%
Net earnings (loss)	\$ 599	\$ (32)	N.A.	\$ 2,074	\$ 268	674%
Net Earnings (loss) per share						
Basic	\$ 0.027	\$ (0.001)	N.A.	\$ 0.094	\$ 0.012	683%
Diluted	\$ 0.026	\$ (0.001)	N.A.	\$ 0.091	\$ 0.012	658%
Weighted average number of shares outstanding						
Basic	22,051,225	22,000,000	N.A.	22,020,977	22,000,000	N.A.
Diluted	22,892,585	22,978,641	N.A.	22,784,782	22,806,311	N.A.

(1) See note 1 on page 4.

About Boomerang Tracking Inc.

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

For more Information:

Jacques Deforges
Vice President and Chief Financial Officer
Boomerang Tracking Inc.

514.234.8722 or toll free at 1.877.777.8722
extension 486
jdeforges@boomerangtracking.com

Linda Farha
Director of Marketing, Communications &
Investor Relations
Boomerang Tracking Inc.
514.234.8722 or toll free at 1.877.777.8722
extension 311
lfarha@boomerangtracking.com

www.boomerangtracking.com

Source:

Toronto:
Sheila Wisniewski
Maverick Public Relations
416.640.5522
sheilaw@maverickpr.com

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

	For the three months ended April 30 (1)		For the 12 months ended April 30 (1)	
	2001	2000	2001	2000
Revenues (2)				
Product Sales	\$ 1,878	\$ 1,176	\$ 7,178	\$ 3,040
Monitoring	1,502	470	4,372	1,164
Other	68	90	479	286
	3,448	1,736	12,029	4,490
Expenses	2,347	1,677	8,367	3,918
Except the following -				
Amortization	106	38	206	76
Interest	(79)	-	(78)	2
Research and development	69	63	151	96
	2,443	1,778	8,646	4,092
Earnings (Loss) Before Income Taxes	1,005	(42)	3,383	398
Income taxes	406	(10)	1,309	130
Net Earnings (Loss)	\$ 599	\$ (32)	\$ 2,074	\$ 268
Net Earnings (Loss) Per Share				
Basic	\$ 0.027	\$ (0.001)	\$ 0.094	\$ 0.012
Diluted	\$ 0.026	\$ (0.001)	\$ 0.091	\$ 0.012
Weighted Average Number of Shares Outstanding				
Basic	22,051,225	22,000,000	22,020,977	22,000,000
Diluted	22,892,585	22,978,641	22,784,782	22,806,311

Notes:**(1) Change in Accounting Policy**

During the fourth quarter of fiscal 2001, the Company changed its accounting policy for revenue recognition of system access fees. The Company recognizes system access fees over the term of the related monitoring contract and no longer differentiates between system access fees and monitoring fees. Under the previous policy, revenue from system access fees was recognized upon installation, while monitoring fees were recognized over the term of the contract. This change in accounting has been applied retroactively and has resulted in a decrease in the opening retained earnings as at May 1, 1999 of \$148. The effect of the change for the fourth quarter was to decrease revenues and net earnings by \$324 and \$206 respectively in 2001 and by \$255 and \$162 respectively in 2000. The effect of the change for the year was to decrease revenues and net earnings by \$1,420 and \$901 respectively in 2001 and by \$563 and \$362 respectively in 2000.

- (2) The Company derives revenues from the sale of vehicle tracking systems, presented as "Product Sales", system access fees and monitoring contracts, presented as "Monitoring", and "Other" revenues such as tracking services.

Balance Sheet
As at April 30 (1)
(Thousands of dollars)
(Unaudited)

	2001	2000
Current Assets		
Cash and cash equivalents	\$ 1,307	\$ 791
Short-term investments	2,464	-
Accounts receivable	3,365	1,845
Inventories	1,594	267
Prepaid expenses	63	548
Future income taxes	69	228
	8,862	3,679
Fixed Assets		
	1,112	271
(net of accumulated amortization of: 2001: \$265; 2000: \$100)		
Patents and Trademarks	149	36
(net of accumulated amortization of: 2001: \$58; 2000: \$17)		
Future Income Taxes	46	57
	\$ 10,169	\$ 4,043
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,638	\$ 1,275
Income taxes payable	618	320
Deferred revenue	4,249	1,470
	6,505	3,065
Deferred Revenue	889	354
Future Income Taxes	119	-
	7,513	3,419
Shareholders' Equity		
Capital stock	553	496
Retained earnings	2,103	128
	2,656	624
	\$ 10,169	\$ 4,043

(1) See note 1 on page 4.

Statement of Retained Earnings
(Thousands of dollars)
(Unaudited)

	For the 12 months ended	
	April 30 (1)	
	2001	2000
Balance - Beginning of Year		
As previously reported	\$ 637	\$ 7
Change in revenue recognition policy (1)	(509)	(147)
As restated	128	(140)
Net earnings	2,074	268
	2,202	128
Stock listing costs, net of future income taxes	99	-
Balance - End of Year	\$ 2,103	\$ 128

(1) See note 1 on page 4.

Statement of Cash Flows
(Thousands of dollars)
(Unaudited)

	For the three months ended April 30 (1)		For the 12 months ended April 30 (1)	
	2001	2000	2001	2000
Funds Provided (Used) -				
Operating Activities				
Net earnings	\$ 599	\$ (32)	\$ 2,074	\$ 268
Amortization	106	38	206	76
Future income taxes	349	(201)	349	(201)
	1,054	(195)	2,629	143
Changes in non-cash operating elements of working capital	(317)	247	(1,701)	(875)
	737	52	928	(732)
Financing Activities				
Deferred revenue	742	674	3,314	1,314
Issue of class "A" shares	21	-	57	-
Stock listing costs	(74)	-	(159)	-
	689	674	3,212	1,314
Investing Activities				
Acquisition of business, net of cash acquired	-	11	-	379
Short-term investments	(2,464)	-	(2,464)	-
Additions to fixed assets	(474)	(24)	(1,006)	(208)
Additions to patents	(61)	(28)	(154)	(33)
	(2,999)	(41)	(3,624)	138
Increase (Decrease) in Cash and Cash Equivalents	(1,573)	685	516	720
Cash and Cash Equivalents				
Beginning of period	2,880	106	791	71
End of period	\$ 1,307	\$ 791	\$ 1,307	\$ 791

(1) See note 1 on page 4.

SUPPLEMENTARY INFORMATION

New Boomerang® units installed and activated

Fiscal 2001		
For the three months ended	Quarterly	Cumulative
July 31	7,983	26,828
October 31	9,908	36,736
January 31	10,769	47,505
April 30	10,404	57,909
Total	39,064	

Fiscal 2000		
For the three months ended	Quarterly	Cumulative
July 31	1,850	6,832
October 31	2,160	8,992
January 31	4,080	13,072
April 30	5,773	18,845
Total	13,863	

Fiscal 1999		
For the three months ended	Quarterly	Cumulative
July 31	710	1,947
October 31	813	2,760
January 31	772	3,532
April 30	1,450	4,982
Total	3,745	

STATEMENT OF EARNINGS – 2 YEAR HISTORY (1) (2)
(Thousands of dollars except earnings per share information)
(Unaudited)

For the three months ended

	July 31, 1999	October 31, 1999	January 31, 2000	April 30, 2000	July 31, 2000	October 31, 2000	January 31, 2001	April 30, 2001
Revenues								
Product Sales	\$ 456	\$ 524	\$ 884	\$ 1,176	\$ 1,783	\$ 1,782	\$ 1,735	\$ 1,878
Monitoring	167	211	316	470	510	1,137	1,223	1,502
Other	49	69	78	90	119	132	160	68
	672	804	1,278	1,736	2,412	3,051	3,118	3,448
Expenses	580	659	1,002	1,677	1,656	1,991	2,373	2,347
Except the following -								
Amortization	11	12	15	38	24	35	41	106
Interest	-	1	1	-	1	-	-	(79)
Research and development	2	24	7	63	3	72	7	69
	593	696	1,025	1,778	1,684	2,098	2,421	2,443
Earnings (Loss) Before Income Taxes	79	108	253	(42)	728	953	697	1,005
Income taxes	21	39	80	(10)	276	362	265	406
Net Earnings (loss)	\$ 58	\$ 69	\$ 173	\$ (32)	\$ 452	\$ 591	\$ 432	\$ 599
Earnings Per Share								
Basic	\$ 0.003	\$ 0.003	\$ 0.008	\$ (0.001)	\$ 0.021	\$ 0.027	\$ 0.020	\$ 0.027
Diluted	\$ 0.003	\$ 0.003	\$ 0.008	\$ (0.001)	\$ 0.020	\$ 0.026	\$ 0.019	\$ 0.026
Weighted Average Number of Shares Outstanding								
Basic	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,003,177	22,030,417	22,051,225
Diluted	22,479,348	22,837,174	22,927,065	22,978,641	22,985,000	22,985,000	23,044,308	22,892,585

(1) This table is provided in order to facilitate the analysis of the Company's historical financial performance following the change of accounting rules explained in note 1.

(2) See note 1 on page 4.