



BOOMERANG REPORTS RECORD FIRST QUARTER RESULTS

The Company is now poised for entry in the U.S.

- **REVENUES UP 69% TO \$4.1 MILLION**
- **NET EARNINGS UP 31% TO \$0.6 MILLION**
- **EPS UP 29% TO \$0.027**
- **OVER 69,000 BOOMERANG® UNITS ACTIVATED TO DATE**

MONTREAL, Quebec - September 26, 2001 – Boomerang Tracking Inc. (TSE: BMG) recorded revenues of \$4.1 million for the first quarter ended July 31, 2001, representing an increase of 69% compared to revenues of \$2.4 million for the same quarter in the previous year. First quarter net earnings grew to \$0.6 million from net earnings of \$0.4 million for the same quarter in the previous year. New activations of Boomerang units rose by 47% in the first quarter to 11,763 from 7,983 in the comparable period of the previous fiscal year. Earnings per share increased by 29% to \$0.027 for the quarter ended July 31, 2001 from \$0.021 for the same quarter in the previous year.

"This quarter marks record revenues and activations for Boomerang", said Peter Lashchuk, President and Chief Executive Officer of the Company. "This growth is attributable to the substantial increase in the Company's subscriber base as well as Boomerang's commitment to meet customer needs through strong marketing initiatives. In addition, the Boomerang device, with a 95% recovery rate, offers a unique solution to a real problem unmatched by other device in the marketplace today."

"As announced on September 24, the Company has developed a new Boomerang device operating on GSM (Global System for Mobile Communications) networks in order to provide instant theft notification services using this platform. We are extremely pleased with this progress as it provides Boomerang access to the most widely deployed wireless communication networks", continued Mr. Lashchuk.

As a first measure, Boomerang has signed an agreement with Cingular Wireless LLC, the second largest wireless carrier in the U.S. providing Boomerang access to the largest market for asset tracking in the world. With the vast coverage offered by the GSM network, Boomerang is now poised for international expansion.

"As a first step towards entry into the U.S., Boomerang continues to achieve growth while controlling operating costs and investing more in key areas of the Company, namely in customer service, sales and marketing, information technology and research and development", said Jacques Deforges, Vice President and Chief Financial Officer. "As the Company's subscriber base grows, an increasing proportion of the Company's revenues are derived from monitoring fees, providing a more stable flow of recurring revenues than that derived from product sales. This factor, coupled with limited capital expenditure requirements for growth, is what makes Boomerang's business model solid and sustainable as the Company expands geographically."

The Boomerang device can be hidden in vehicles, marine craft or heavy equipment machinery. To date, the company has recovered over 1,150 vehicles and heavy equipment, totalling more than \$59 million.

Progress in Ontario

With the Canadian auto theft epidemic on the rise, and with Ontario being the largest province in Canada, theft is a real concern in this province. Ontario now experiences the highest rate of theft with almost six vehicles stolen every hour. The Company has recently appointed Serge Laporte as Vice-President Sales and Marketing to spearhead activities in this market and will be hiring key individuals to develop new channels of distribution. A media campaign geared towards the individual consumer and businessperson was recently launched to create brand awareness. Boomerang currently has agreements with 14 insurance companies providing discounts on insurance premiums and, in some cases, on deductibles to owners of certain vehicle types.

Financial Highlights

Statement of Earnings

(Thousands of dollars except earnings per share information)

(Unaudited)

	For the three months ended July 31		
	2001	2000	Change
Revenues	\$ 4,068	\$ 2,412	69 %
Earnings before income taxes	942	728	29 %
Net Earnings	\$ 593	\$ 451	31 %
Net Earnings Per Share			
Basic	\$ 0.027	\$ 0.021	29 %
Diluted	\$ 0.026	\$ 0.020	30 %
Weighted Average Number of Shares Outstanding			
Basic	22,242,277	22,000,000	1 %
Diluted	22,447,498	22,192,188	- 1 %

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.

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Balance Sheet
(Thousands of dollars)

	As at July 31, 2001 <i>(Unaudited)</i>	As at April 30, 2001 <i>(audited)</i>
Assets		
Current		
Cash and cash equivalents	\$ 1,635	\$ 1,307
Short-term investments	2,464	2,464
Accounts receivable	4,170	3,365
Inventories	1,622	1,594
Prepaid expenses	69	63
Future income taxes	53	69
	10,013	8,862
Fixed Assets	1,450	1,112
(Net of accumulated amortization of: July 31 2001: \$350; April 30, 2001: \$265)		
Patents and Trademarks	169	149
(Net of accumulated amortization of: July 31 2001: \$71; April 30 2001: \$58)		
Future Income Taxes	38	46
	\$ 11,670	\$ 10,169
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 1,837	\$ 1,638
Income taxes payable	210	618
Deferred revenue	5,021	4,249
	7,068	6,505
Deferred Revenue	1,001	889
Future Income Taxes	119	119
	8,188	7,513
Shareholders' Equity		
Capital stock	786	553
Retained earnings	2,696	2,103
	3,482	2,656
	\$ 11,670	\$ 10,169

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

	For the three months ended July 31	
	2001	2000
Balance - Beginning of Period	\$ 2,103	\$ 128
Net earnings	593	451
Balance - End of Period	\$ 2,696	\$ 579

Statement of Earnings

(Thousands of dollars except earnings per share information)

(Unaudited)

	For the three months ended July 31	
	2001	2000
Revenues		
Product sales	\$ 2,097	\$ 1,796
Monitoring	1,836	510
Other	135	106
	4,068	2,412
Expenses	2,913	1,634
Except the following -		
Amortization	98	24
Interest	(10)	1
Research and development	125	25
	3,126	1,684
Earnings Before Income Taxes	942	728
Income taxes	349	277
Net Earnings	\$ 593	\$ 451
Net Earnings Per Share		
Basic	\$ 0.027	\$ 0.021
Diluted	\$ 0.026	\$ 0.020
Weighted Average Number of Shares Outstanding		
Basic	22,242,277	22,000,000
Diluted	22,447,498	22,192,188

Statement of Cash Flows

(Thousands of dollars)

*(Unaudited)*For the three months ended
July 31

2001 2000

	2001	2000
Funds Provided (Used) -		
Operating Activities		
Net earnings	\$ 593	\$ 451
Amortization	98	24
Future income taxes	24	(17)
	<u>715</u>	<u>458</u>
Changes in non-cash operating elements of working capital	(1,048)	(1,355)
	<u>(333)</u>	<u>(897)</u>
Financing Activities		
Deferred revenue	884	963
Issuance of class "A" shares	233	-
	<u>1,117</u>	<u>963</u>
Investing Activities		
Additions to fixed assets	(423)	(48)
Additions to patents and trademarks	(33)	(12)
	<u>(456)</u>	<u>(60)</u>
Increase in Cash and Cash Equivalents	328	6
Cash and Cash Equivalents		
Beginning of period	1,307	791
End of period	<u>\$ 1,635</u>	<u>\$ 797</u>

Notes to interim Financial Statements:

- (1) These unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies and methods of computation as were used for the financial statements for the year ended April 30, 2001.

These unaudited interim financial statements do not include all the disclosures required by Canadian generally accepted accounting principles in annual financial statements and accordingly, should be read in conjunction with the Financial Statements for the year ended April 30, 2001.

(2) **Revenues**

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.

(3) **Comparatives Figures**

Certain reclassifications of the comparative amounts presented have been made to facilitate comparison with the current period.

SUPPLEMENTARY INFORMATION

New Boomerang units installed and activated

Fiscal 2002		
For the three months ended	Quarterly	Cumulative
July 31	11,763	69,672
Total	11,763	

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	

