

**SmarTire Systems Inc.**  
Suite 150, 13151 Vanier Place  
Richmond, British Columbia  
Canada, V6V 2J1

T: 604.276.9884  
F: 604.276.2350  
www.smarttire.com  
Nasdaq: SMTR



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Email: [info@smarttire.com](mailto:info@smarttire.com)  
Contact: Charlene Krepiakovich  
Tel. 1-604-276-9884 / 800-982-2001

## **SmarTire Reports Second Quarter Results**

**RICHMOND, BRITISH COLUMBIA, CANADA – March 15, 2001** – SmarTire Systems Inc. (Nasdaq:SMTR) reported a net loss of CDN \$2.1 million (\$0.14 per share) for the second quarter ended January 31, 2001 compared with a loss of CDN \$2.8 million (\$0.22 per share) for the same period in 2000. The Company also reported a strong cash position of CDN \$9.8 million as a result of the sale of an investment in March 2000.

During its second fiscal quarter, SmarTire's unique position within the transportation industry was acknowledged and reinforced by the rapidly escalating interest in tire pressure monitoring systems. In November, the safety features offered by tire pressure monitoring systems received official endorsement by the U.S. government. International attention was drawn to the massive U.S. tire recall and amendments to the U.S. Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act were introduced requiring all new motor vehicles by 2003 to have warning indicators for low tire pressure. In addition, the transportation industries of Western Europe and Japan are closely monitoring the impact of the U.S. TREAD Act.

In the same period, SmarTire achieved several corporate milestones. The Company produced and delivered its first shipments of Generation II tire monitoring systems for use on passenger cars, light trucks and sport utility vehicles. SmarTire expanded its access to the commercial vehicle sector, added new engineering and marketing resources for the North American and European operations and refined its North American investor relations program.

On March 5, 2001, SmarTire announced that Generation II tire monitoring systems had been delivered to Aston Martin for the V12 Vanquish supercar. Aston Martin is a member of Ford's Premier Automotive Group that also includes Volvo, Jaguar, Land Rover and Lincoln. Having successfully completed its initial production runs, SmarTire is now working with its suppliers to provide for increased production of Generation II systems.

SmarTire entered into an Agreement on January 12, 2001 with its strategic partner, TRW Inc., that transferred to the Company the exclusive license to manufacture and sell tire monitoring systems to the original equipment manufacturers of most medium and heavy duty trucks. SmarTire announced its intention to expand product development and marketing activities to include the commercial vehicle market involving both original equipment manufacturers and aftermarket customers.

During the second fiscal quarter, the Company also added engineering and marketing resources to both its North American and European operations to expand its product development program, support the manufacturing process and respond to the increasing demand for advanced tire monitoring solutions for all sectors of the transportation industries. "SmarTire is committed to the development of leading edge technologies and products for future tire monitoring solutions," said Kevin Carlson, SmarTire's Chief Financial Officer and Managing Director. "Recruiting and retaining highly skilled employees is one of SmarTire's strategic objectives."

Portland, Oregon based FiComm Investor Relations was selected by SmarTire to assist in the execution of its North American investor relations program including the facilitation of effective institutional and retail investment activities. "We are very excited to be working with SmarTire Systems and to add this dynamic and growing company to our array of high technology clients," said Al Palombo, vice president of FiComm. "With over ten years of research and development under its belt, SmarTire is uniquely positioned to capitalize on the increasing demand for its proven tire monitoring technology."

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SmarTire develops and markets the world's most technically advanced tire monitoring systems for all sectors of automotive and transportation industries. Additional information can be found at [www.smartire.com](http://www.smartire.com)

**"Robert V. Rudman"**

Robert V. Rudman, C.A.  
President and Chief Executive Officer

Except for this historical information contained herein, this news release contains forward looking statements that involve risks and uncertainties, including the impact of competitive products and pricing and general economic conditions as they affect the Company's customers. Actual results and developments may therefore differ materially from those described in this release.

**SMARTIRE SYSTEMS INC**

Financial Summary

Expressed in Canadian dollars

	Three months ended January 31,		Six months ended January 31,	
	2001	2000	2001	2000
Revenue	\$ 328,478	\$ 294,227	\$ 597,122	\$ 589,153
Cost of goods sold	129,279	146,664	219,035	313,461
Gross profit	199,199	147,563	378,087	275,692
Expenses	2,326,915	2,969,012	4,531,556	5,091,668
Net loss	<u>\$ 2,127,716</u>	<u>\$ 2,821,449</u>	<u>\$ 4,153,469</u>	<u>\$ 4,815,976</u>
Loss per share	<u>\$ 0.14</u>	<u>\$ 0.22</u>	<u>\$ 0.28</u>	<u>\$ 0.42</u>

**SMARTIRE SYSTEMS INC.**

Balance Sheet Summary

Expressed in Canadian dollars

	January 31, 2001	July 31, 2000
Cash and cash equivalents	\$ 9,836,428	\$14,512,558
Total current assets	\$10,529,427	\$15,047,204
Total assets	\$14,039,478	\$15,966,373
Current liabilities	\$ 687,809	\$ 739,155
Shareholders' equity	\$13,351,669	\$15,227,218
Total liabilities and shareholders equity	\$14,039,478	\$15,966,373