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**SmarTire Systems Reports Third Quarter Financial Results**

*Expanded product offering reflects diversified marketing strategy*

**RICHMOND, BRITISH COLUMBIA, CANADA** – June 10, 2004 – SmarTire Systems Inc. (OTCBB: SMTR) today announced financial results for its fiscal third quarter ended April 30, 2004. SmarTire reports all results in U.S. dollars.

Revenue for the quarter was \$401,423 compared to \$638,323 for the same quarter in 2003. Year to date revenue was \$1.26 million compared to \$1.18 million for the same period in 2003. The Company's loss from operations for the quarter was \$1.73 million compared to \$1.31 million for the same quarter in 2003. The loss from operations for the nine months was \$5.18 million compared to \$4.76 million for the same period in 2003.

The quarterly results include non-operational expenses of \$1.22 million compared to \$0.23 million for the same quarter in 2003. Year to date, these expenses totaled \$2.94 million compared to \$0.97 million for the same period in 2003. Non-operational expenses include non-cash interest and finance charges that totaled \$2.77 million in the nine months ended April 30, 2004 and \$1.00 million in the same period in 2003.

For the quarter ended April 30, 2004, the Company posted a net loss of \$2.95 million, a loss per share of \$0.04 compared to a net loss of \$1.54 million, a loss per share of \$0.06 for the same quarter in 2003. For the nine months ended April 30, 2004, the net loss was \$8.12 million, a loss per share of \$0.10 compared to a net loss of \$5.74 million, a loss per share of \$0.26 for the same nine months in 2003. Excluding the purchase of inventory, the Company used \$4.1 million of cash in operations during this nine month period compared to \$3.3 million in the same period in 2003.

“During the first nine months of this fiscal year, SmarTire's revenue has been generated primarily from the sale of tire pressure monitoring systems (TPMS) for passenger cars,” reported Robert Rudman, President and Chief Executive Officer of SmarTire Systems Inc. “However, the Company is currently bringing forward a full line of TPMS designed to satisfy the demands of several target markets. As earlier reported, SmarTire began delivering its new TPMS for motorcycles last month. In addition, the Company announced that manufacturing of its TPMS for commercial vehicles would commence in July. This technically advanced TPMS is targeted directly at manufacturers of commercial trucks, buses, agricultural, construction and recreational vehicles. While continuing to pursue marketing opportunities on a global basis involving passenger car TPMS, SmarTire is aggressively expanding its marketing efforts to include these additional target markets.”

SmarTire Systems Inc. develops and markets proprietary tire monitoring systems for the transportation industry worldwide. Incorporated in 1987, SmarTire is a public company with offices in North America and Europe. Additional information can be found at [www.smartire.com](http://www.smartire.com).

**“Jeff Finkelstein”**

Jeff Finkelstein, CA  
Chief Financial Officer

This news release includes forward-looking statements and are subject to risks and uncertainties. Our expectation that manufacturing of its TPMS for commercial vehicles will commence in July is subject to other issues, such as financing, technology improvements, competitors and other matters not becoming critical issues. Readers should refer to the risk disclosures outlined in the Company's annual report on Form 10-KSB for the last completed fiscal year filed with the SEC. As well, the financial information contained in this news release should be read in conjunction with the more detailed information contained in SmarTire's quarterly report on Form 10-QSB for the quarter ended April 30, 2004, filed with the SEC.

**SMARTIRE SYSTEMS INC**

Financial Summary

Expressed in United States dollars

April 30,	Three months ended April 30,		Nine months ended	
	2004	2003	2004	2003
Revenue	\$ 401,423	\$ 638,323	\$ 1,259,140	\$ 1,182,674
Cost of sales	287,373	443,908	1,034,523	892,313
Gross profit	114,050	194,415	224,617	290,361
Expenses	1,840,318	1,503,858	5,404,057	5,052,774
Loss from operations	(1,726,268)	(1,309,443)	(5,179,440)	(4,762,413)
Other expenses	(1,223,991)	(227,286)	(2,939,141)	(974,561)
Net Loss	\$ (2,950,259)	\$ (1,536,729)	\$ (8,118,581)	\$ (5,736,974)
Loss per share	\$ (0.04)	\$ (0.06)	\$ (0.10)	\$ (0.26)

	April 30, 2004	July 31, 2003
Cash and Cash Equivalents	\$ 285,604	\$ 1,843,694
Total Current Assets	\$ 3,743,494	\$ 3,222,217
Total Assets	\$ 7,815,258	\$ 7,085,592
Current Liabilities	\$ 2,025,554	\$ 798,285
Convertible Debenture	\$ 885,620	\$ 3
Stockholders' Equity	\$ 4,904,084	\$ 6,287,304
Total Liabilities and Stockholders' Equity	\$ 7,815,258	\$ 7,085,592