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SmarTire Systems Reports Second Quarter Results For Fiscal Year 2003

Recent growth in product sales reflects expanded product line and distribution network

RICHMOND, BRITISH COLUMBIA, CANADA – March 21, 2003 – SmarTire Systems Inc. (Nasdaq: SMTR), a leading developer of tire pressure and temperature monitoring technology, today announced results for the second quarter of its fiscal year 2003 ended January 31, 2003. SmarTire reports all results in U.S. dollars.

Gross revenue for the second quarter totaled \$146,762, down from gross revenue of \$192,665 for the same quarter in 2002. Year-to-date revenues for 2003 totaled \$544,351 compared to \$545,294 for 2002. SmarTire recorded a net loss of \$2.13 million or loss per share of \$0.10 for the quarter compared to a net loss of \$2.10 million or loss per share of \$0.13 for the same quarter last year.

“Historically the second quarter is our most challenging and this year was no exception,” says Robert Rudman, President and Chief Executive Officer of SmarTire Systems. “However, since the end of the second quarter, our sales have increased substantially with actual and booked sales during this six week period representing approximately 85% of total sales for this fiscal year.”

Robert Rudman continues, “In addition to pursuing passenger car opportunities with a wide range of original equipment manufacturers in North America, Europe and Asia, SmarTire is also introducing new products and expanding our international channels of distribution. We are launching a new recreational vehicle tire monitoring system this week at a major tradeshow in California and have recently signed National Cycle as the exclusive U.S. distributor for our new motorcycle product. We are working with our Asian strategic partner, Hyundai Autonet, to expand distribution into Korea, and we are delivering product to a distributor that provides access to the emerging Chinese automotive marketplace. During this current fiscal quarter, we are beginning to realize positive results from our expanded product line and distribution network.”

SmarTire is a pioneer and market leader in the development of direct measurement tire monitoring technology for all sectors of the automotive and transportation industries. Incorporated in 1987, SmarTire is a public company with offices in North America and the United Kingdom. Additional information can be found at www.smartire.com.

“Jeff Finkelstein”

Jeff Finkelstein, CA
Chief Financial Officer

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This news release includes statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. Forward-looking statements in this release include, but are not limited to, those relating to the anticipated demand for our tire monitoring technologies and products, planned or anticipated sales of our products and technology to original equipment manufacturers, and our belief that we have potential for strong revenue growth in 2003. It is important to note that actual outcomes and the Company's actual results could differ materially from those in such forward-looking statements. Factors that could cause actual results to differ materially include general factors such as insufficient investor interest in the Company's securities, the impact of competitive products and pricing and general economic conditions as they affect the Company's customers, market acceptance of our technologies and products, and specific risks such as the uncertainty of the extent of marketing opportunity that will be created by the TREAD Act (including uncertainties that remain with respect to the timing and certain details of additional rules that are anticipated to be introduced under the TREAD Act), reliance on third party manufacturers to produce SmarTire products and technology, and our ability to source product components in a timely manner. Readers should also refer to the risk disclosures outlined in the Company's annual report of Form 10-KSB for the last completed fiscal year filed with the SEC.

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SMARTIRE SYSTEMS INC

Financial Summary

Expressed in United States dollars

	Three months ended January 31,		Six months ended January 31,	
	2003	2002	2003	2002
Revenue	\$ 146,762	\$ 192,665	\$ 544,351	\$ 545,294
Cost of goods sold	130,660	139,750	448,405	387,674
Gross profit	16,102	52,915	95,946	157,620
Expenses	1,562,069	2,112,410	3,548,916	3,794,609
Loss from operations	1,545,967	2,059,495	3,452,970	3,636,989
Other Expenses	583,905	39,826	747,275	64,804
Net Loss	\$ 2,129,872	\$ 2,099,321	\$ 4,200,245	\$ 3,701,793
Loss per share	\$ 0.10	\$ 0.13	\$ 0.21	\$ 0.23

SMARTIRE SYSTEMS INC.

Balance Sheet Summary

Expressed in United States dollars

	January 31, 2003	July 31, 2002
Cash and Cash Equivalents	\$ 229,603	\$ 525,968
Total Current Assets	\$ 1,708,739	\$ 2,366,946
Total Assets	\$ 6,074,827	\$ 6,749,601
Current Liabilities	\$ 2,402,200	\$ 2,460,555
Stockholders' Equity	\$ 3,409,073	\$ 4,289,046
Total Liabilities and Stockholders' Equity	\$ 6,074,827	\$ 6,749,601