



Megawheels reports strong 1st quarter results

Megawheels Inc. reported results for the 1st quarter of fiscal 2002. Revenues increased 14%, which, combined with a 35% reduction in total expenses for the quarter, resulted in a 53% decrease in the net loss for the period. Per share loss decreased by 75% to (CDN) \$0.03 per share from \$0.12 per share for the same period of the previous fiscal year.

([PRWEB](#)) February 1, 2002 -- Megawheels reports strong 1st quarter results
Revenues increase 14%; Expenses decrease 35%

CALGARY, ALBERTA – January 29, 2002. Megawheels Inc. (CDNX:MGW), a global technology solutions provider to the automotive newspaper advertising and retail sectors, today announced fiscal 2002 1st quarter results for the period ended November 30, 2001. Overall revenue for the quarter increased 14% to \$1,010,691 as compared to \$886,452 for the same period in the 2000 fiscal year. This revenue increase, combined with a 35% reduction in total expenses for the quarter, resulted in a 53% reduction in the net loss for the period. Loss per share for the period decreased by 75% to \$0.03 per share from \$0.12 per share for the same period of the previous fiscal year.

“We are pleased with our results during the quarter,” said Christopher Bulger, Chief Executive Officer and Chairman of the Board, Megawheels Inc. “Clearly, our focus on streamlining operations and optimizing our resources is having the desired effect. We are evidencing good progress along the path to profitability. During the quarter we also focused on improving revenue achieved from our existing contracts and on furthering our relationships with key media partners, automotive groups and manufacturers. We are confident in our ability to execute a clear business plan and that the trends set in this quarter will translate into stronger results in the coming months.”

To support the company’s operations during the quarter, a US \$200,000 convertible promissory note was issued to Venture Investment Management Corporation (VIMAC) of Boston, the company’s majority shareholder. “We are extremely fortunate to have a financial partner of VIMAC’s caliber,” said Bulger. “In these challenging markets, patient capital and the ongoing support of our financial partners VIMAC, the Royal Bank, Bell Globemedia and Associated Newspapers Limited is an integral component to our success. As we move forward, their continued guidance will play an essential role in furthering the creation of long-term shareholder value.”

Subsequent to quarter end, and to the Company’s Annual General Meeting, January 21, 2002, the Company will be changing its name to Megawheels Technologies Inc. and will be consolidating its common shares on a 2 existing common shares for 1 consolidated common share. Also subsequent to the AGM, Christopher Bulger assumes the role of Chairman and Chief Executive Officer with Marty Hilsenteger, formerly Chairman and CEO, becoming President.

About Megawheels Technologies Inc.

Founded in 1995, and headquartered in Calgary, Alberta, Canada, Megawheels Inc. (CDNX: MGW) is globally recognized as a leader in automotive advertising and retail technologies. Drive, the Company’s complete suite of dealer management systems, provides operational and process efficiencies to automotive dealerships



along with a powerful web interface and online media management capability. Through Drive and its integrated web/media management tools, the Company is currently building extensive dealer networks in Canada, the US, Great Britain and Ireland. The Company has also established joint ventures and technology licensing agreements with leading newspaper groups in these markets, including The Globe and Mail, The Boston Herald, The Evening Standard and The Irish Times. Through Net2Print, the Company's reverse web-to-print publishing software, Megawheels provides newspaper publishers with a cost-effective, custom-branded online community and an enhanced technology platform from which to increase revenues in the automotive sector.

This news release may contain forward-looking statements concerning the Company's objectives over the next few quarters. The company's ability to meet such objectives depends on many known and unknown risks. Factors which could cause results or events to differ from current expectations include, among other things: general economic and business conditions, competition, the acceptance of Internet based application service providers in the automotive sector, foreign exchange risk and the impact of rapid technological and market change and growth rates in the Company's market segments.

The Canadian Venture Exchange has neither approved nor disapproved the contents of this news release.

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The first quarter report is available at the company's website: www.megawheels.com



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Online Web 2.0 Version

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