

November 20, 2008

Intrinsyc Software International Inc. (ICS-T, \$0.06)

Ralph Garcea, MBA, P. Eng (416-507-2609, rgarcea@haywood.com)

Kristian Bauer (416-507-2786, kbauer@haywood.com)

Rating: SECTOR OUTPERFORM; 12-Month Target: \$0.65; Risk: SPECULATIVE

Impact: Positive

Event: Intrinsyc Signs Latin American Destinator® SLA

- Intrinsyc Software has signed a Destinator® software license agreement (SLA) with a leading mobile device manufacturer.
- The Destinator® SLA is for use on a Windows Mobile 6.1 smartphone, which is currently shipping in Brazil (implying royalties in Q4/08). Additional phones utilizing the same Destinator® integration will soon be released in other Latin American markets.
- Financial details or expected shipping quantities were not disclosed.

Implications: Positive; the Latin American market penetration represents another high-growth opportunity for Intrinsyc. The Destinator product continues to deliver royalty revenues, and we expect the new Soleus™ Transit product to leverage Destinator's momentum throughout 2009.

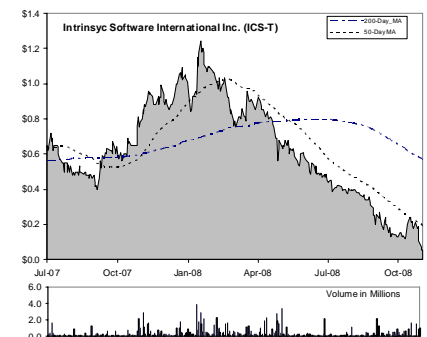
Valuation: From a valuation perspective, Intrinsyc is trading at a discount to the Haywood Global Mobility Software Universe based on our CY2009/CY2010 estimates (EV/Sales: 2009: -0.3x versus 1.2x, 2010: -0.2x versus 1.1x). Our DCF-based target of \$0.65 is based on a 10% discount rate and a terminal 10x EV/EBITDA multiple.

Target Price	\$0.65
Current Price	\$0.06
Return (incl. dist'n)	1082%
YTD Performance	-94%
Dividend / Yield	N/A

Risk Profile:	SPECULATIVE
Forecast Risk	High
Financial Risk	High
Valuation Risk	High

52-Week High / Low	\$1.30 / \$0.05
Shares O/S	161.9 million (basic)
	191.0 million (F/D)
Market Capitalization	\$8.9 million
Enterprise Value	-\$10.8 million
Daily Volume	
(3 mo avg)	390K
Currency	C\$ unless noted
Company Web Site	www.intrinsyc.com
CEO (interim)	Tracy Rees

Price Performance



Source: Bloomberg

Last Research: November 19, 2008

Please see rating structure, important disclosures, risk profile parameters, disclaimers, and notes on pages 3-6 of this report.





Intrinsyc Software International Inc.	Ticker Shares O/S (M)	ICS-T 191.0	Price Market Cap. (\$M):	\$0.06 \$9	Rating: Sector Outperform Target: \$0.65
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Alpha: Product delivery in Taiwan, China and EMEA will provide positive synergy and momentum to future licensing deals.

Investment Highlights

Company Description - Intrinsyc is a leader in software and services that enable next-generation handheld and embedded products, including mobile handsets, smart phones and converged devices.

Investment Brief - The company's mobile software products, engineering services, and years of expertise help OEMs, service providers, and silicon providers deliver compelling wireless products with faster time-to-market and improved development cost. Intrinsyc is a Microsoft Windows Embedded Gold Partner, the 2007 Windows Embedded Excellence Award winner for System Integrator, and a Symbian Platinum Partner.

Catalysts - Continued design wins, two have been announced so far, should drive royalty revs.

Risks - Handset mfrs and OEMs decide not to go with Windows CE platform; slow shipments delay royalty stream.

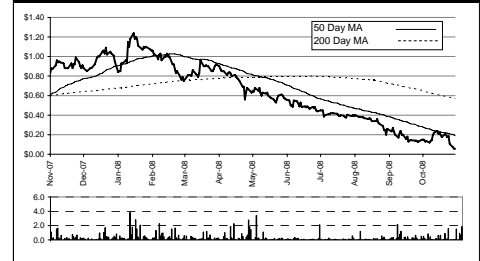
Recent Financings:

Equity Offering Feb 2008 - 28.6M @ \$1.05
Past Equity Offering May 2007 - 33.3M @ \$0.60

Management:

Philip Ladouceur, Chairman; Tracy Rees, COO & Interim CEO; George Reznik, CFO

Intrinsyc Software International Inc. - Chart



Financial Forecasts (USD\$)

FY-end Dec-31	Annual					Quarterly				
	2007A	2008E	2009E	2010E	2011E	Q1/2008A	Q2/2008A	Q3/2008A	Q4/2008E	Q1/2009E
Revenues (\$mlns)	18.2	25.0	29.8	40.1	50.3	5.6	5.6	7.9	6.0	5.9
Rev. Growth %	37%	37%	20%	34%	25%		0%	42%	-24%	-2%
Consensus Revenue Est. (\$mlns)	(16.7)	26.9	42.0	57.4		4.9	5.4	7.8	7.8	
3 months ago.		33	56	72		5	5	8	9	
EBITDA (\$mlns)	(16.6)	(15.8)	(6.1)	2.2	8.2	(3.7)	(3.9)	(3.9)	(4.5)	(2.7)
EBITDA Growth %		5%	62%	137%	267%		-5%	-1%	-15%	40%
Consensus EBITDA Est. (\$mlns)	(16.7)	(9.2)	3.9			(3.6)	(4.4)	(5.8)	(4.4)	
3 months ago.		(16.2)	(6.3)	12.1		(3.6)	(4.4)	(5.9)	(4.9)	
EPS (FD) (\$)	(0.16)	(0.12)	(0.06)	(0.01)	0.02	(0.03)	(0.03)	(0.04)	(0.03)	(0.02)
EPS Growth %		24%	50%	88%	362%		4%	-26%	7%	33%
Consensus EPS Est. (\$)	(0.13)	(0.08)	(0.01)			(0.03)	(0.03)	(0.04)	(0.03)	
3 months ago.		(0.13)	(0.05)	0.01		(0.03)	(0.03)	(0.04)	(0.03)	
CFPS (FD) (\$)	(0.15)	(0.10)	(0.03)	0.02	0.05	(0.04)	(0.01)	(0.03)	(0.03)	(0.02)
CFPS Growth %		-34%	66%	152%	161%		60%	-97%	9%	41%
Consensus CFPS Est. (\$)	(0.11)	(0.02)	0.08			(0.02)	(0.01)	(0.03)	(0.03)	
3 months ago.		(0.08)	0.01	0.07		(0.02)	(0.01)	(0.01)	(0.02)	

*All consensus numbers are from Capital IQ, covered companies are denoted by *

Valuation Metrics

	2006	2007	2008	2009
EV/EBITDA - Current	NM	NM	NM	NM
Est. EV/EBITDA - Target				46.6x
EV/SALES - Current	1.9x	NM	NM	NM
Est. EV/SALES - Target			4.2x	3.5x
Current, 1-Year, 2-Year				
DCF Target		\$0.58	\$0.66	\$0.73

Analyst Ratings: Capital IQ

	Potential Upside
Average Target	\$0.43
Median Target	\$0.18
Sector Outperform	3
Sector Perform	2
Sector Underperform	1
# of Analysts	6

*Source: CapitalIQ, Bloomberg

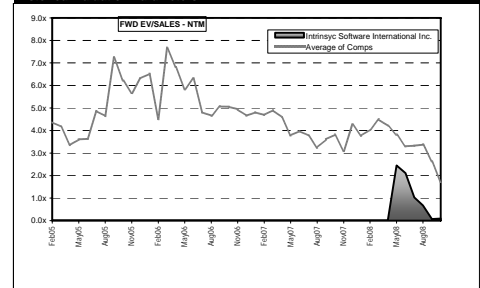
Comparables	Stock Price		Pot.	EV/Sales			EBITDA Margin			P/E			EV/EBITDA		
	Today	Target		2008	2009	2010	2008	2009	2008	2009	2008	2009	2008	2009	
Intrinsyc Software International Inc	0.06	0.65	1082%	-0.37x	-0.31x	-0.23x	-63%	-20%	NM	NM	NM	NM	NM		
Esmerlec AG	6.37	10.00	57%	2.9x	2.2x	2.0x	9%	13%	NM	NM	NM	NM	17.1x		
Access Company, Ltd.	120.400	266.333	121%	0.9x	0.8x	0.6x	6%	10%	NM	25.2x	13.8x	8.1x			
Opera Software ASA	12.00	21.94	83%	2.0x	1.5x	1.1x	14%	19%	26.5x	15.4x	14.1x	7.8x			
BSQUARE Corp.	2.80	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM		
Smith Micro Software Inc.	5.05	8.44	67%	1.3x	1.1x	1.1x	17%	19%	8.3x	7.2x	7.5x	5.8x			
Infracore Inc.	6,050	25,000	313%	1.5x	1.2x	0.9x	30%	39%	7.4x	4.2x	4.9x	2.9x			
Acrodea Inc.	82,100	491,000	498%	1.2x	0.7x	0.7x	28%	31%	14.0x	8.9x	4.0x	2.3x			
Average				1.6x	1.2x	1.1x	18%	22%	14.1x	12.2x	8.9x	7.3x			

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Key Statistics

Price / Target / Return	\$0.06	\$0.65	1081.8%
52wk Hi / Lo	\$1.30	\$0.05	
Shares O/S (mlns)		161.9	191.0
Basic / F.D.			150.2
Cash Burn (mths) / Dividend Yield		1.3	0.0%
Short Interest / as % of Float		0.0	0.0%
Daily Volume (3-Mth. Avg. mlns)		0.0	0.39
Market Cap. / Enterprise Value (mlns)	8.9	-10.8	
Cash / Debt (mlns)		19.7	0.0
Cash / Shr & Net Cash / Shr	\$0.12	\$0.12	
Tang. Book Value / Share		\$0.23	
Company CEO / Website	Tracy Rees	www.intrinsyc.com	
Top Holders:			
1) IG Investment Management, Ltd.		10.1%	
2) Camlin Asset Management Limited		3.9%	
3) Sprott Asset Management Inc.		1.8%	
Ownership:			
Management Control (Proxy)	1.7 M	1.0%	

Historical Valuation Parameters

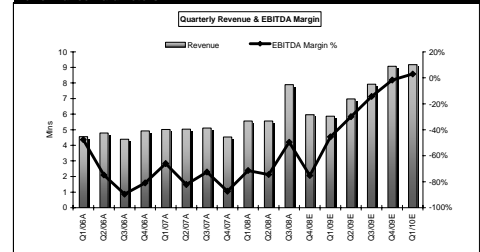


Historical Valuation Parameters

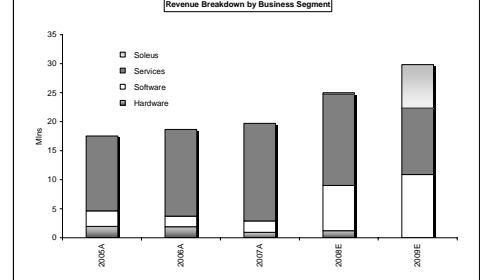
3-Yr Avg.	EV/EBITDA		P/CF		EBITDA Growth		EPS Growth		Sales Growth		Returns %	
	NTM	TTM	2008	2009	2008	2009	2008	2009	2008	2009	2008	YTD
Intrinsyc Software International Inc	NM	NM	NM	NM	-5%	-62%	24%	50%	37%	20%	-86%	-94%
Esmerlec AG	NM	NM	45.5x	18.7x	189%	100%	89%	119%	26%	30%	-36%	-42%
Access Company, Ltd.	29.4x	6.9x	20.3x	13.2x	-32%	71%	103%	NM	4%	13%	-37%	-76%
Opera Software ASA	NM	NM	22.5x	13.5x	NM	81%	NM	72%	47%	37%	-43%	-7%
BSQUARE Corp.	NM	3.9x	NM	NM	NM	NM	NM	NM	NM	NM	-22%	-59%
Smith Micro Software Inc.	13.0x	NM	NM	NM	128%	29%	NM	16%	37%	16%	-31%	-40%
Infracore Inc.	13.6x	NM	6.0x	3.7x	42%	67%	51%	76%	36%	30%	-64%	-62%
Acrodea Inc.	NM	16.0x	6.8x	3.4x	NM	75%	NM	57%	NM	59%	-52%	-76%
Average	18.7x	8.9x	20.2x	10.5x	82%	70%	81%	68%	30%	31%	-41%	-52%

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Performance Parameters



Revenue Breakdown by Business Segment



Ralph Garcea, MBA, P. ENG (416-507-2609, rgarcea@haywood.com)
Kristian Bauer (416-507-2786, kbauer@haywood.com)

Source: Haywood Securities, Capital IQ (* Haywood Covered Company)





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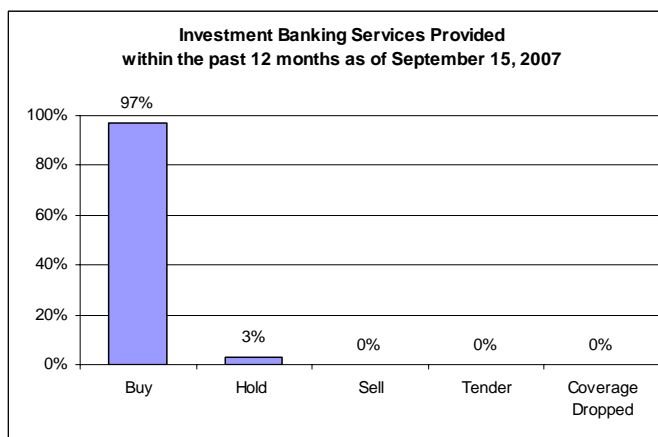
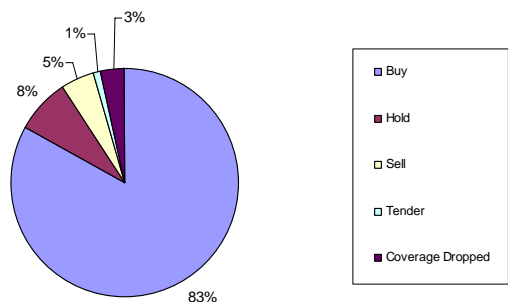
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