

# INTRINSYC SOFTWARE INTERNATIONAL INC.

Equity Research | Technology

Ticker

Recommendation

12-month Target

ICS-T  
\$0.80

**SPECULATIVE  
BUY**  
(unchanged)

\$1.75  
(unchanged)

Please see important disclosures at the end of this document

## New Chairman and CEO

July 25, 2006

### Market Data

52-week High-Low	\$1.49 - \$0.60
Shares Outstanding	
– Basic	83.0 million
– Fully diluted	108.2 million
Market Capitalization	\$66.4 million
Cash and Securities <sup>1</sup>	\$30 million
Total Debt <sup>1</sup>	\$7.5 million
Fiscal Year End	August 31
Major shareholders	Insiders: 5% Institutions: 3%

### Financial Data

(000, except EPS)	FY05A	FY06E	FY07E
Revenue	\$17,539	\$19,989	\$28,870
Gross Margin	48%	39%	60%
Net Income	(\$4,980)	(13,819)	(\$11,640)
EPS - diluted	(\$0.08)	(\$0.18)	(\$0.11)

<sup>1</sup>As at May 31, 2006

### Investor Risk Tolerance Scale



### Company Description

Intrinsyc Software International Inc. is a mobility software and services company. The Company's principal business units are the Customer Programs group and the Mobile Products Group. The Customer Programs team develops mobility solutions for a variety of operating systems. The Mobile Products Group is charged with bringing *Soleus* and other forward-looking opportunities to market.

### Event

Announces appointment of Glenda M. Dorchak as Chief Executive Officer and Chairman.

### Highlights

Ms. Dorchak has some history with Intrinsyc, having served as an independent board member in 2004 and 2005. Due to the time demands of her prior job, she did not stand for election in 2006.

Ms. Dorchak was most recently with Intel Corporation from 2001. At Intel she served as Vice President and COO of the Communications Group and also held senior positions in the Consumer Electronics Group.

Prior to Intel, her career included more than 20 years at IBM, and two start-up ventures, Ambra US (an IBM company) and Value America.

Ms. Dorchak's predecessor, Derek Spratt (the founder of the Company in 1996), will resign effective July 31, 2006. He will continue working closely with the Company to support Ms. Dorchak. We believe Ms. Dorchak will assume her duties on that date.

Overall, we believe this to be a very positive development for Intrinsyc, in that Ms. Dorchak brings experience in both startups and large companies, as well as a large network of contacts within the consumer electronics industry. Those contacts could prove very important to Intrinsyc as it moves forward with the development of *Soleus*.

### Investment Conclusion

We believe that Intrinsyc, through its new *Soleus* product, has the makings of a world-class software company in the mobile space. The *Soleus* product is at the key inflection point, when it must attain rapid market acceptance. With the appointment of Ms. Dorchak, the *Soleus* ship is in experienced hands, and more likely to achieve its potential. In our view, even moderate success with *Soleus* could cause the share price to double from current levels. **We continue to recommend Intrinsyc as a SPECULATIVE BUY with a 12-month target of \$1.75.**

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