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INTRINSYC EXTENDS PRODUCT OFFERING TO SUPPORT NEW MICROSOFT WINDOWS CE COMPANION LINE OF PRODUCTS

January 8, 1998 - Intrinsyc[™] Software, Inc. (the Company), a leading supplier of development tools and software components for Windows-based embedded system applications, today announced at the Consumer Electronics Show, Las Vegas, its plans to fully support the new Microsoft[™] Windows[™] CE[™] Auto PC and Palm PC platforms. The Company's Rainbow[™] web technologies are available today and enable Original Equipment Manufacturers (OEMs) to offer extensive web server solutions with their Windows CE-based embedded systems. The Company is also enhancing its Integration Expert[™] (IX) product offering to assist and support developers creating embedded software applications that target the Auto PC, Palm PC, and Handheld PC platforms.

"Intrinsyc immediately recognized the opportunity that Windows CE presented for a wide range embedded applications and has developed complimentary software technology that enable systems designers to enhance their Windows CE-based devices and get their products to market sooner", said Brian Rose, vice president of sales and marketing for Intrinsyc Software. "Microsoft's announcement of the Auto PC and Palm PC platforms represent a natural progression into the embedded systems marketplace."

Building a Communications Gateway with Rainbow

The Company's Rainbow web technologies enable developers of Windows CE-based embedded systems to build in a communications gateway utilizing standard HTTP technology. Just as the web browser has proved essential for information exchange from the internet on the desktop, web server technology is essential to leverage the internet for remote communication with an embedded system. Rainbow customers have the ability to remotely monitor, configure, control, and update their Windows CE Auto PC-, Handheld PC-, or Palm PC-based devices using a standard web browser. Rainbow is the world's first Windows CE based web, with footprints ranging from 50-80 kBytes.

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Enhancing the Development Environment

Intrinsyc IX is a comprehensive suite of development tools that enable developers of Windows-based embedded applications to improve design productivity while maximizing system reliability. When combined with the Microsoft Visual Studio, Intrinsyc IX delivers the ability to define, analyze, integrate, and deploy embedded systems. The Company will be extending its offering to support the Windows CE Auto PC, Handheld PC, and Palm PC platforms. The open architecture of Intrinsyc IX allows OEMs and teams of application developers to make use of the extensive offering of standard hardware and software components supplied with the Intrinsyc IX Component Gallery. Intrinsyc IX analysis tools enable developers to build and integrate high-quality minimum footprint systems and are designed to deal with issues like complex, ever-changing application software, operating systems, device drivers, and configuration data.

"We encourage Intrinsyc Software to continue its active role in promoting the adoption of Windows CE for embedded systems applications." said Harel Kodesh, general manager of the consumer appliance group at Microsoft. "Intrinsyc's support will assist OEMs in adding value to their systems that employ the new Auto PC and Palm PC platforms, adding to the success of the Windows CE Companion line of products."

Intrinsyc Software Inc. (VSE:ICS) develops, markets, sells, and supports software tools and components for the development of Microsoft Windows-based embedded systems. These tools and components enable OEMs to rapidly develop software applications for a wide range of consumer and commercial electronics products that span multiple industries. For more information, contact Intrinsyc at info@intrinsyc.com or World Wide Web Page: http://www.intrinsyc.com or call (800) 474-7644.

On Behalf of the Board Intrinsyc Software Inc.

Derek Spratt

President & CEO