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Intrinsic Software extends Windows CE to the feature phone market

Announces development of licensable value-add software and tools for device makers to target the feature phone market with Windows CE

Vancouver, B.C. and Bellevue, Washington, February 11, 2005 – Intrinsic Software International, Inc. (TSX:ICS) announced today an ongoing business initiative that focuses on creating licensable software and tool extensions to the Microsoft Windows CE technology base to help device makers design and deliver feature phone handsets more cost-efficiently and effectively.

The software will be previewed and demonstrated at the 3GSM World Congress in Cannes, France from February 14-17.

Intrinsic Software's proprietary software and tools extend Microsoft Windows CE to device makers and ecosystem partners in the feature phone market segment. This will result in increased development efficiency, reduced time-to-market, and improved product design flexibility for device makers while meeting the requirements and economics of the feature phone industry.

As the complexity and diversity of feature phone designs continue their staggering increase, Intrinsic Software believes that the client software platform and development infrastructure are quickly becoming the major product development bottlenecks for handset original equipment manufacturers (OEMs). The software and tools under development by Intrinsic Software will help resolve these software challenges.

"The handset industry has evolved into a highly competitive business where device makers are required to deliver more and more models to market in order to compete effectively for an ever-increasing number of consumer segments," said Randy Kath, vice president of Mobile Software Products at Intrinsic Software. "In this type of environment, key competitive advantages for OEMs come from product development efficiency, time-to-market speed, and design flexibility. Microsoft's Windows CE operating system is ideally suited for these challenges, and when combined with Intrinsic's feature phone software extensions, a highly optimized and flexible platform is formed for device makers and third-parties alike."

"Microsoft has built a rich ecosystem of partners working with Windows Mobile and Windows CE, and we believe that applying their wares and expertise to the feature phone market segment is a natural evolution of their businesses. By better enabling these Windows CE and Windows Mobile partners to participate in the feature phone market, we will help device makers improve their business efficiency in addition to their top-line results, and give them more go-to-market options."

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The Bellevue, Washington-based product development team is currently developing a set of value-add software for the Windows CE operating system and tool chain to speed development time and efficiency, and lower costs for developing segment-specific handsets. Highlighted by an extensible and configurable feature phone software stack, Intrinsic Software's engineers are extending Windows CE to minimize hardware resource requirements, maximize performance and power management capabilities, and provide design flexibility to meet the strict requirements for success in the feature phone market segment.

Intrinsic Software is working with key silicon vendors to ensure an optimized bill-of-materials is matched with the upcoming software offering. The offering will also apply the full power and extensibility of the Microsoft Platform Builder and Visual Studio development tools to handset development and will help improve resource utilization across teams internal to device makers as well as the external set of vendors and third-party engineering resources.

Intrinsic Software believes that Windows CE, with its long track record and hundreds of design wins to its credit, is the standard operating system of choice for handset device makers. Windows CE was built from the ground up as a componentized, embedded operating system, making it ideally suited for extension to the feature phone market. With Microsoft Windows CE 5.0, Microsoft added the Premium Derivatives Redistribution Licensing offering to their Windows CE Shared Source Program, providing unprecedented design flexibility and product supportability for device makers. Together with Windows CE's Core run-time license and Intrinsic Software's value-add intellectual property, these elements offer a compelling overall economic choice for handset makers.

"Intrinsic Software's extension tools are aimed at providing our mutual customers with improved flexibility and efficiency. They have created a new business opportunity through the expanded, flexible licensing options for Windows CE to provide their customers with a customized offering," said Andy Haon, director of platforms product management and planning for the Mobile and Embedded Devices Division at Microsoft Corp. "We look forward to their efforts to help make Windows CE even more successful in the embedded market segment."

Intrinsic Software's expertise in the handset market is showcased by the innovative and buzz-generating Gizmondo handset, which applied Intrinsic's Windows CE-based handset intellectual property with design and development services. The soon-to-debut handheld device has attracted distribution deals for more than 1.32 million units in the Asia-Pacific region alone. It offers gaming, camera, movie playing and messaging capabilities. Further information about the Gizmondo handset can be found at www.Gizmondo.com.

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"Intrinsic's strong cache of Windows CE-based handset IP and integration services expertise combined with our market foresight puts us in a strong position to execute on our feature phone business," said Derek Spratt, CEO of Intrinsic Software. "Demonstrated by our work on the recently released Gizmondo handset, we have over 200 projects under our belt with a track record for customer success, and we continue to ramp up a quality handset team in Bellevue, Washington composed of many of the key people who helped drive the start of the Windows CE embedded business."

"A standardized OS strategy beyond enterprise-focused smart phones will be a critical success factor for handset vendors looking to meet the Mobile Messenger, Technophile and Digital Youth market requirements for an increasing array of features folded into a greater variety of models," said Chris Ambrosio, director wireless devices at Strategy Analytics.

"One can expect the widespread Windows CE competency base cultivated by Microsoft will increasingly target the larger and more consumer-oriented feature phone segment. By delivering feature phone-specific extensions for Windows CE, Intrinsic is well positioned to compete in the feature phone and consumer-focused smart device market opportunity, which will total 180 million units annually by 2008."

Intrinsic Software will begin demonstrating the feature phone software extensions with handset device makers, silicon vendor partners, mobile operators, and third-party software developers at 3GSM World Congress. Interested parties are encouraged to visit the Intrinsic Software booth at 3GSM for a demonstration of this future product offering (Hall 5, Booth M8).

About Intrinsic Software International, Inc.

Intrinsic Software is a mobility software and services company. Our technologies and services make it possible for companies to identify and create innovative solutions that make mobile devices connect and work. Intrinsic Software's unique experience enables companies to deliver winning mobile devices and solutions that build stronger and more profitable businesses.

Since 1996, Intrinsic Software has used its innovations, creativity and technical agility to help over 2000 enterprise customers connect their applications together, and bring more than 200 leading-edge products to market. Intrinsic Software has a strong customer base and has formed solid partner alliances with some of the leading technology companies in the world.

Intrinsic Software is a publicly traded company, headquartered in Vancouver, Canada with additional regional development offices in Bellevue, USA and Birmingham, UK. To find out more about Intrinsic, visit: www.intrinsic.com.

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Forward Looking Statements

This press release may contain forward-looking statements that involve risks and uncertainties. These forward-looking statements relate to, among other things, plans and timing for the introduction or enhancement of our services and products, statements about future market conditions, supply and demand conditions, and other expectations, intentions and plans contained in this press release that are not historical fact. Our expectations regarding future revenues depend upon our ability to develop and supply products, which we do not produce today and that meet defined specifications. When used in this press release, the words "plan," "expect," "believe," and similar expressions generally identify forward-looking statements. These statements reflect our current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in technology and changes in the pervasive computing market. In light of the many risks and uncertainties surrounding the pervasive computing market, you should understand that we couldn't assure you that the forward-looking statements contained in this press release will be realized. The Company disclaims any intent or obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

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