

# Intrinsyc Software follows Ford pact with Siemens deal

By MICHAEL MCCULLOUGH

Vancouver's Intrinsyc Software announced a major contract with Siemens Automation and Drives, a division of the Swiss engineering giant Siemens AG on Tuesday.

The company announced another contract with the Ford Motor Co. last week.

Intrinsyc will supply embedded networking solutions and services to Siemens' SIMATIC Human Machine Interface panels, a flat-panel touch screen that controls automation systems.

Siemens ships close to 100,000 of the panels every year to factories around the world. For Ford, Intrinsyc will install systems that connect the various automated assembly machines into a network at its 61 plants worldwide.

Embedded systems are the computing functions built into non-computing devices such as vending machines, home security systems and factory-floor controls; they represent one of the fastest-growing sectors of information technology.

According to research firm International Data Corp., the worldwide market for so-called information appliances will exceed 89 million units worth \$17.8 billion US by 2004.

Terms of Tuesday's announcement were not released.

Currently the market leader in embedded systems is Wind River Systems Inc. of Alameda, Calif., but there are a number of

upstart competitors like Intrinsyc, which posted revenues of \$2.25 million last year.

Where Intrinsyc distinguishes itself is in the integration of software and hardware knowledge, chief financial officer Rod Campbell said.

"There is consolidation in the future and we aim to be a player," he added.

For both Siemens and Ford, Intrinsyc is the first supplier of its kind.

A world leader in industrial automation, Siemens used to run its own proprietary software in its equipment, but it's moving towards an open platform that can run applications from competing developers. Intrinsyc helps integrate the various applications into a networked whole.

The firm will have to boost operations to handle the new business, from 60 employees now to more than 100 in a year's time, Campbell said.

Most of the new hires will be in Vancouver, though the company plans to open a branch office in the U.S. Midwest.

"We're adding an engineer a week," Campbell said.

The agreements represent a foot in the door of the manufacturing industry, Campbell said.

He sees the opportunity to "upsell" Ford on Intrinsyc's expertise, as well as leverage the contract into deals with competing automakers.

As for Siemens, it sells its panels to manufacturers around

the world, and Intrinsyc will be called upon to work with its customers to create custom solutions.

"We expect that to create 20 to 30 new [client] relationships out of that over the next year," Campbell predicted.

*Profit* magazine recently named Intrinsyc as one of the fastest-growing companies in Canada. The company ranked 58th in the Profit 100, which measures revenue growth between 1994 and 1999.

Intrinsyc shares (CDNX: ICS) closed up 66 cents on Tuesday to \$4.75 on the Canadian Venture Exchange.

The stock has risen more than 50 per cent since the announcement of the Ford contract on Aug. 16.