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BUSINESS UPDATE

April 20, 1998 - Intrinsic Software, Inc. (the Company) announced that it recently licensed its WinFT® embedded software technology to Centigram Communications Corporation, a leading global supplier of wireless and wireline messaging and communications systems that integrate voice, data and facsimile information and make it accessible by telephone, PC and other such devices. Centigram is headquartered in San Jose, CA with sales and support offices in North America, Europe, Asia, Latin America and Australia. A purchase order for C\$84,000 was also received. For more information, contact Centigram at World Wide Web Page: <http://www.centigram.com>.

The Company also announced that attendance at the Microsoft® Windows® CE® Developers Conference, held in San Jose, CA, April 5-8, that it co-sponsored, was up sharply to 2,300 end users and developers from the 800 who showed up last year and the 150 who went the year before. Unlike last year's conference which focused on mobile applications for Windows CE, there was a significant OEM presence this year with an interest in general embedded applications. Intrinsic's new products announcements were well received at this event. Microsoft promised to add hard real-time to Windows CE by mid-99, a capability that will position Windows CE as a key contender for the most critical control jobs in commercial applications.

Intrinsic Software Inc. (VSE:ICS, NASDAQ:ISYRF) 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 Intrinsic at info@intrinsic.com or World Wide Web Page: <http://www.intrinsic.com>.

Annasoft Systems (private), which is in the process of merging with Intrinsic (see Mar 31/98 news release for more information), is the leading licensing source of Microsoft operating systems to the embedded software market. Annasoft provides OEM's with design, development, and integration services, covering concept design to product manufacturing. In addition to developing and marketing its own embedded Windows software products, Annabooks, a sister company, distributes a variety of third party products and publishes a line of technical books on embedded software and hardware technologies, provides workshops and advanced PC technologies, and produces the PC developers conferences and Expos. For more information, contact Annasoft at info@annaosft.com or World Wide Web Page: <http://www.annaosft.com>.

On Behalf of the Board
Intrinsic Software Inc.

Derek Spratt
President & CEO