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Siemens and Intrinsic Announce Key Strategic Agreement

Siemens Building Technologies licenses Intrinsic technologies to develop open-standard controllers for HVACR equipment and building automation systems

VVS2000, Stockholm, Sweden -- March 21, 2000: Siemens Building Technologies (SBT) and Intrinsic (CDNX.ICS) today announced one of the world's first open-standard HVACR controllers for original equipment manufacturers (OEMs). A division of Germany-based Siemens AG -- the 4th largest company in the world -- SBT is a leading provider of building management systems and controls for heating, ventilation, air conditioning and refrigeration (HVACR). The announcement concludes six months of intensive development work that began in August 1999 when Siemens purchased software development kits from Intrinsic, and continued when the two companies signed a formal Engineering Services Agreement in October 1999. SBT is using Intrinsic's embedded Internet solutions and Windows CE to bring open standard communications and remote connectivity into its new Saphir line of intelligent, multi-functional and programmable HVACR controllers. The new controller will be unveiled at the renowned Scandinavian HVACR exhibition, VVS2000, which takes place in Stockholm from March 21 to March 25.

The new Saphir controller is targeted at the OEM HVACR equipment market so these vendors can integrate modern, open-standard technologies into their new or existing products. Saphir predecessors, including Compas, UNIGYR and RS Integral, have a combined installed base of over 100,000 worldwide. Initially, SBT is introducing the new controllers to OEMs in air conditioning, heating and refrigeration, where a vast market potential for innovative technologies is expected to develop over the next few years. SBT intends to use the new product line to increase its global market share.

"Intrinsic's complete embedded Internet solution -- the powerful microCERfBoard hardware platform and robust software solutions to connect devices to the web and enterprise -- is the necessary foundation for creating open-standard controllers for the building automation industry," says Peter Furey, Product Manager at SBT. "With Intrinsic technologies, our next-generation controllers are further integrated into the web and the enterprise, giving our customers enhanced productivity, improved reliability, and more features, with lower infrastructure and operational costs. Intrinsic exceeded our technical qualifications, and allowed us to focus on our core competency -- designing HVACR controllers. The Saphir platform is being further developed to reach other markets, including access and security control, and will make further use of Intrinsic technologies within other divisions of SBT."

"We're very excited about our relationship with SBT, which has shown true vision in developing this product," says Derek Spratt, Intrinsic's President and CEO. "We have a long-term strategy to migrate open-standard technologies to other products throughout several Siemens divisions, and are designing the platform to be reusable across different industries."

SBT selected Intrinsic's embedded hardware, software and service solutions for this project. To get a head start on developing their next-generation controller hardware, SBT chose Intrinsic's microCERfBoard, a small Internet-ready hardware design featuring Intel's powerful StrongARM processor. SBT is also licensing several Intrinsic software technologies, including deviceWEB, deviceCOM, and deviceOPC, to bring standard web and enterprise connectivity to the Saphir controller so they can be managed remotely via the Internet or Intranet using standard web browsers and inter-operate with industry standards such as BACnet and OPC (OLE for Process Control). Finally, SBT engaged Intrinsic to provide engineering services to rapidly customize and integrate the microCERfBoard and software into its new Saphir product line.

"SBT's new open-standard HVACR controller for the OEM market changes the landscape of how buildings will be managed," says Guylain Roy-MacHabée, Intrinsic's VP of Marketing. "Intrinsic's microCERfBoard adds a smart, 'networkable' front-end to an existing legacy system. Coupled with Intrinsic's open-standard software solutions, the new system can be managed remotely via the Internet, programmed using familiar programming languages, and interact with existing building management protocols, such as BACnet."

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Availability

The first public showing of this new product will be at the renowned Scandinavian HVACR exhibition, VVS2000, which takes place in Stockholm from March 21 to March 25. The new Saphir controller will operate inside a PM-Luft AB GOLD series air-handling unit (booth C12:31) and will be accessed using standard web browsers and SBT's DESIGO Insight building management system. "PM-Luft AB has shown great vision in adopting this technology and plans to continue its market leadership by supplying innovative solutions for the air conditioning market," says Furey.

The new Siemens Spahir controller, featuring Intrinsic technologies, will first ship in PM-Luft's products (www.pm-luft.se) in Q3 2000.

About Intrinsic

Intrinsic provides e-business solutions targeted at the emerging Information Appliance and Internet Device market -- small, embedded computers hidden in everyday things such as vehicles and home security systems and in commercial and industrial products such as vending machines and factory floor controllers. Intrinsic sells its Internet-enabled technologies to leading Fortune 500 companies in growing global markets such as mobile computing, industrial automation, and point-of-sale, which use them to rapidly create Internet Devices or Information Appliances, link these devices to other levels of a company's business systems, and remotely manage these large networks of devices. Intrinsic was founded in 1992 and is based in Vancouver, BC.

About Siemens Building Technologies

With nearly 32,000 employees throughout 50 countries and 1999 sales exceeding DEM 8.3 billion, Zurich, Switzerland-based Siemens Building Technologies, a Group of Siemens AG of Germany, is one of the leading suppliers of building automation, security systems, project and facilities management services in the world.

About Siemens AG

Founded more than 150 years ago, Siemens AG (Berlin and Munich) is a global powerhouse in electrical engineering and electronics. The company has more than 440,000 employees around the world working to develop and manufacture leading-edge products, design and install complex systems and plants, and tailor a range of individualized services as varied as its customers' requirements. The company harnesses innovative technologies and comprehensive know-how to help its customers in more than 190 countries meet their business and technical needs. Siemens' activities focus primarily on the company's core business segments: energy, industry, information and communications, transportation, health care, components and lighting. In fiscal 1999 (which ended September 30, 1999), the company had sales of DEM 131.1 billion and new orders worth DEM 136 billion. For further information, go to www.sibt.com or www.siemens.com. (Currency exchange rate 1 USD = 1.8704 DEM.)

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