

**Intrinsyc Software Inc. (CDNX - ICS \$3.55)**

**STRONG BUY**

**Ford Motor Company Engages Intrinsyc to Provide Networking Solutions for Manufacturing Facilities Around the World. This Engagement with Ford Represents a Major Endorsement of Intrinsyc's Technology, and More Importantly, Will Positively Impact Revenues Over the Next Several Quarters.**

52 Wk Rng	S/O (F.D.) (mm)	Mkt/Cap (mm)	Rev 2000E (mm)	Rev 2001E (mm)	Rev 2002E (mm)	P/Rev 2001E	P/Rev 2002E
\$0.80 - \$9.70	33.1	\$117.50	\$3.09	\$10.08	\$17.08	12X	7X

- Intrinsyc announced today that it has been engaged by Ford Motor Company to provide networking solutions to Ford's manufacturing facilities. We view this as very favourable news for Intrinsyc, and expect that its impact on revenues should be felt almost immediately. During fiscal 2001, which begins on September 1<sup>st</sup>, Intrinsyc should complete several deployments at Ford plants, in addition to the ones currently in progress. Considering Ford's interest in using Intrinsyc's *OPCShield* on a broad scale, and the fact that the auto company currently operates 60 manufacturing facilities worldwide, the magnitude of this opportunity in terms of generating revenues becomes evident. We expect that revenues should come from licensing and engineering services, with a substantial recurring element from run-time licensing and maintenance fees.
- In addition to the revenue opportunities inherent in this announcement, we believe that attracting Ford as a customer serves as a very positive endorsement of Intrinsyc's technology. Both Intrinsyc and Ford are members of the OPC (OLE for Process Control) Foundation, an organization that works toward establishing open and interoperable interface standards for industrial automation and control applications. Within the OPC Foundation there are over 200 member companies that represent potential customers for Intrinsyc. Through having a high profile OPC Foundation member such as Ford

successfully using *OPCShield*, Intrinsyc is well positioned to target these other companies to provide similar solutions.

- We are pleased with the progress the company has recently made in attracting high-quality, Fortune 500 customers. The company continues to diversify its customer base, build upon its channel partnerships, and strengthen its product offering through new technological developments and enhancements. In the past several days, Intrinsyc announced two new strategic partnerships with developers of embedded-Linux software solutions. Both MontaVista Software and Lineo, Inc. will work with Intrinsyc to provide OEMs with Linux-based embedded software solutions. We view partnerships such as these to be key in terms of reaching a broader customer base and in gaining exposure.
- Based on these recent developments, we continue to view Intrinsyc as an attractive investment. We recommend the stock as a **STRONG BUY** at current price levels.

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Loewen, Ondaatje, McCutcheon Limited has acted in an underwriting and/or financial advisory capacity for Intrinsyc Software Inc. within the past twelve months.

