Feature-phone OS drives revenue for Intrinsyc

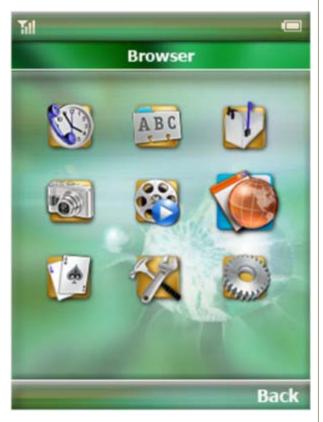
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Intrinsyc Software told investors this week it continues to morph from an embedded services and hardware business to one focusing on wireless software and services business. The company reported "record" revenues for the third quarter of 2007 of \$5.1 million, 16 percent higher than in the same quarter last year.

The earnings report highlights "an increase in services revenue based on the increased demand for system integration services related to Windows Mobile." Adds the company, "hardware revenue will continue to decline as the company is not investing in new hardware product research and development."

As it ramps up Soleus (screenshot at right), its turnkey software stack for Windows CE-based "feature phones," Intrinsyc reports, the company expects to spend "significant" amounts on development, marketing, and sales. But, it says, the strategy has been paying off.

"We began the third quarter with the announcement of our first design win for Soleus [story] with a leading handset and personal navigation device (PND) OEM," says Glenda Dorchak, chairman and CEO of Intrinsyc. "In the third quarter we billed our first Soleus software revenue for a portion of the licensing fee with this first OEM."



Intrinsyc says the Windows CE-

based Soleus stack targets the mid- to low-end segment of the cellphone market that is still unserved by Microsoft's Windows Mobile OS. The feature-phone segment represents a fierce battleground between embedded Windows, Linux, and a number of other OS alternatives.

"More recently we announced an additional design win," adds Dorchak, "with

a leading Taiwanese ODM [original design manufacturer] for ... its first combination GPS and Mobile Digital Television (MDTV) device with mobile phone capabilities" [story].

While more specifics of these agreements were not released, Taiwanese ODM Wistron became the <u>first Soleus licensee last year</u>.

During the quarter, Intrinsyc successfully completed a public offering of its common stock, grossing approximately \$21.8 million in Canadian dollars. It also <u>received Microsoft's Systems Integrator of The Year</u> award at May's Microsoft Mobile and Embedded Developers Conference (MEDC).