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Intrinsic Acquires Linar

Addition of networking software company extends solutions, adds customers, and accelerates profitability

VANCOUVER, BC, January 16, 2001 Intrinsic (ICS.TSE) announced today that it will acquire Linar Ltd. (Linar), an innovative developer and provider of Java-based enterprise connectivity software.

"Linar has built a solid customer base of over 500 international enterprise clients in key verticals such as telecommunications, which will provide opportunities to cross-sell our respective networking solutions to our joint customer base," said Neil McDonnell, President and COO of Intrinsic. "The Linar acquisition is an exceptional deal and business move for Intrinsic. It will immediately generate royalty-driven revenue for fiscal 2001 and accelerate profitability."

"The acquisition of Linar elevates Intrinsic to a new level of industry leadership in the pervasive computing market," said Derek Spratt, Chairman and CEO of Intrinsic. "In acquiring Linar, Intrinsic will add licensable networking software technologies to its current family of solutions, and extend its range of cross-platform solutions and Windows connectivity, from the enterprise to a broad range of connected 'smart' devices.

"We are excited to be joining the Intrinsic team," said Damian Mehers, Managing Director of Linar. "This is a natural integration of companies with shared visions and allows us to dramatically advance penetration of enterprise connectivity solutions for the pervasive computing market."

Intrinsic will pay USD\$2.2 million, consisting of USD\$1,500,000 in cash and 323,000 common shares for Linar, plus up to an additional \$1,500,000 contingent upon Linar achieving certain performance oriented criteria. The definitive agreement has been signed, and closing of the transaction will occur upon completion of the closing conditions, which include obtaining necessary consents and complying with Toronto Stock Exchange (TSE) requirements.

News Release



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About Linar

Founded by a core team of Java software developers with unique experience in bridging Java-based devices to any COM or DCOM software, Linar is a privately held company based in the United Kingdom. Linar's core software offering, J-Integra, is a unique bi-directional bridge that reliably and seamlessly links programs and devices within a Windows enterprise. J-Integra incorporates the only pure Java DCOM implementation on the market, which bridges the compatibility gap between Java and Windows operating systems.

About Intrinsyc

Intrinsyc is a leading provider of intelligent device and enterprise computing solutions to Global 2000 companies. Intrinsyc develops open standards based, intelligent device systems by building on its core reference design technologies, linking intelligent devices to information-rich enterprise applications, and managing global networks of devices. To find out more about Intrinsyc's solutions, visit www.intrinsyc.com.

Forward Looking Statements

This press release may contain forward-looking statements that involve risks and uncertainties. These forward-looking statements relate to, among other things, plans and timing for the introduction or enhancement of our services and products, statements about future market conditions, supply and demand conditions, and other expectations, intentions and plans contained in this press release that are not historical fact. Our expectations regarding future revenues depend upon our ability to develop and supply products, which we do not produce today and that meet defined specifications. When used in this press release, the words "plan," "expect," "believe," and similar expressions generally identify forward-looking statements. These statements reflect our current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in technology and changes in the pervasive computing market. In light of the many risks and uncertainties surrounding the pervasive computing market, you should understand that we couldn't assure you that the forward-looking statements contained in this press release will be realized. The Company disclaims any intent or obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

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