

Intrinsyc Software Int'l Inc. (ICS-T, \$0.38)

Wednesday, August 13, 2008

Rating:	SECTOR OUTPERFORM
Target Price:	\$1.50
Return:	295%
YTD Performance	: -59%
Risk Profile:	SPECULATIVE

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The 2H/08 should deliver the catalysts: (1) royalty revenue from shipping handsets; (2) a few more SLAs; and (3) the accretive benefits from the Destinator acquisition.

Q2/08 Inline; Soleus™ Royalties to Begin in 2H/08

Event: Intrinsyc Software reports Q2/08 financial results.

Impact - Neutral: Financial results were inline with expectations (\$5.6M in revs; and EPS of -\$0.03); Company in talks with several potential software license agreement (SLA) customers, when will they announce one?

- Forecasts Adjusted, we expect Q3/08 revenues of US\$8.0M (from US\$8.2M, cons: US\$8.1M), EBITDA of -US\$5.5M (from -US\$6.7M, cons: -US\$5.8M), and EPS of -US\$0.03 (from -US\$0.05, cons: -US\$0.03). For FY2008, we expect revenues of US\$27.6M (from US\$28.2M, cons: US\$28.0M), EBITDA of -US\$17.6M (from -US\$20.3M, cons: -US\$19.0M), and EPS of -US\$0.11 (from -US\$0.16, cons: -US\$0.12).
- **Target Price, Ratings** Unchanged, SECTOR OUTPERFORM rating and \$1.50 target.

Issues:

- Potential Software License Agreements (SLAs) Company in talks with multiple customers; SoleusTM interest remains strong and driven by Asia.
- Several Devices Positioned to Ship With several announced products positioned to ship, we expect SoleusTM royalties to begin ramping during the 2H/08 (back-end loaded).
- **Destinator Integration Driving Towards "SoleusTM Transit" Product** Integration of Destinator's GPS technology with the SoleusTM OS results in a higher-margin full-featured OS – *and a larger market penetration!*

Valuation: From a valuation perspective, Intrinsyc is trading at a discount to the Haywood Global Mobility Software Universe based on our CY2009/CY2010 estimates (EV/Sales: '09: 1.0x versus 2.6x, '10: 0.7x versus 2.1x). Our DCF-based target of \$1.50 yields a CY2010 valuation of 3.8x EV/Sales.

Catalysts: 1) *Software License Agreements* – SoleusTM contracts, notably a tierone manufacturer, should improve revenue visibility; 2) *Royalty Generation* – We expect SoleusTM royalties to begin in Q3/08; 3) *Product Visibility* – SoleusTM product reviews will increase visibility and drive future signings (min. of one/qtr).

Investment Brief: SoleusTM is a comprehensive software platform (based on Windows CE), whose modular architecture speeds up the development process, provides a reusable platform, allows a higher degree of customization, and lowers the manufacturer's bill of materials (BOM)

Forecast Risk Financial Risk Valuation Risk	High High High
52-Week High / Low	\$1.30/\$0.38
Dividend / Yield	0.00%
Shares O/S	162M (basic) /
	191M (F/D)
Market Capitalization	\$61.5M
Daily Volume	320K

Financial Forecasts				
CY Est.	2007A	2008E	2009E	2010E
Revenues (\$mlns)	21.2	27.6	50.1	70.1
EBITDA (\$mlns)	(15.0)	(17.6)	(4.1)	12.6
EPS (FD) (\$)	(0.14)	(0.11)	(0.03)	0.06
CFPS (FD) (\$)	(0.13)	(0.08)	0.01	0.07

Valuation				
	2007A	2008E	2009E	2010E
P/E	NM	NM	NM	6.7x
EV/SALES	1.3x	1.9x	1.0x	0.7x
EV/EBITDA	NM	NM	NM	4.1x
DCF		\$1.37	\$1.44	\$1.55

Company Profile - www.intrinsyc.com Intrinsyc is a leader in software and services that enable next-generation handheld and embedded products, including mobile handsets, smart phones and converged devices. Intrinsyc is a Microsoft Windows Embedded Gold Partner, the 2007 Windows Embedded Excellence Award winner for System Integrator, and a Symbian Platinum Partner.

Company CEO - Glenda M. Dorchak

Revisions, Date of Record

Rating - Unchanged.

Target - up from \$1.25, Jan 8, 2008.

Price Performance





ntrinsyc Software Internati	ional Inc.			Ticker Shares	0/S (M)				ICS-T 191.0			Price Market Cap	\$0. . (\$M):	38 \$62		: Sector Outperfor : \$1.50
Ipha: Product delivery in Taiwan,	China and E	EMEA will pro			. ,	entum to	o future lic	ensing dea	als.							
vestment Highlights ompany Description - Intrinsyc is a	leader in so	tware and ser	vices that er	nable nevt	generation	handhel	d and embe	added prod	ucte includir	na mobile	handsets s	mart	Intrinsyc Software	International Inc	c Chart	_
nones and converged devices.	ieauei ili sui	itware and ser	vices triat er	IdDie Hext-	generation	nanunei		suueu prou	ucis, includii	ig mobile	nanusets, s	indit	\$1.40 \$1.20 50 Day MA 200 Day MA			
vestment Brief - The company's mo mpelling wireless products with faste mbedded Excellence Award winner for	er time-to-ma	arket and impr	oved develo	pment cos	t. Intrinsyc	expertise is a Micro	help OEMs osoft Windo	, service provide provide service service provide service prov	roviders, and Ided Gold Pa	l silicon pr artner, the	oviders deli 2007 Wind	ver ows	\$1.00	- And	Alm	Norman
atalysts - Continued design wins, two	o have been	announced s	o far, should	l drive roya	lty revs.								\$0.60	free		1 WWW
sks - Handset mftrs and OEMs deci	de not to go	with Windows	CE platform	n; slow shij	oments del	ay royalty	/ stream.						\$0.20			
ecent Financings: quity Offering Feb 2008 - 28.6M @ \$ ast Equity Offering May 2007 - 33.3M													6.0 4.0 4.0	00:07		Apr-08
anagement: lenda Dorchak, Chairman & CEO; Ge	eorge Rezni	k, CFO; Randy	/ Kath, CTO										2.0	h		
nancial Forecasts			Annual						Quar	terly			Key Statistics			
(-end Dec-31 Revenues (\$mins)	2007A 18.2	2008E 27.6	2009E	2010E	2011E 86.1			Q1/2008A	Q2/2008A 5.6	Q3/2008E 8.0		Q1/2009E	Price / Target / R 52wk Hi / Lo	eturn \$0.	.38 \$1.50 \$1.30	294.7% \$0.38
Rev. Growth %		52%	81%	40%	23%				0%	43%	7%	13%	Shares O/S (mins)		
Consensus Revenue Est. (\$mlns) 3 months ago.	19.8 20	28.0 23	56.0 48	65.5 57	73			4.9	5.4	8.1	9.1	10.4 8	Basic / F.D. Float		161.9	191.0 150.0
EBITDA (\$mlns)	(16.6)	(17.6)	(4.1)	12.6	18.6			(3.7)	(3.9)	(5.5)	(4.6)	(2.9)	Cash Burn / Divid		1.2	0.0%
EBITDA Growth % Consensus EBITDA Est. (\$mlns)	(14.2)	-6% (19.0)	77% (10.1)	405% 1.2	48%			(3.6)	-5% (4.4)	-42% (5.8)	16% (4.8)	37% (4.1)	Short Interest / a Daily Volume (3-	3 % of Float	0.0	0.0%
3 months ago.	(14.2)	(19.0) (14.4)	(0.3)	7.8	15.1			(3.6)	(4.4)	(5.8)	(4.8)	(4.1)	Market Cap. / En		nins) 61.5	40.1
EPS (FD) (\$)	(0.16)	(0.11)	(0.03)	0.06	0.09			(0.03)	(0.03)	(0.03)		(0.02)	Cash / Debt (min	s)	21.5	0.0
EPS Growth % Consensus EPS Est. (\$)	(0.17)	30% (0.12)	71% (0.04)	282% 0.01	60%			(0.03)	4% (0.03)	-12% (0.03)	11% (0.03)	37% (0.03)	Cash / Shr & Net Tang. Book Valu		\$0.13	\$0.13 \$0.25
3 months ago.	(0.17)	(0.12)	(0.04)	0.01				(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	Company CEO /	Nebsite Gk	enda M. Dorchak	www.intrinsyc.com
CFPS (FD) (\$)	(0.15)	(0.08)	0.01	0.07	0.12			(0.04)	(0.01)	(0.01)		(0.02)	Top Holders:			
CFPS Growth % Consensus CFPS Est. (\$)		48% (0.08)	111%	740%	75%			(0.02)	60% (0.01)	16%	-68%	18%		Management Lim		4.5% 2.6%
3 months ago.		(0.08)	0.02	0.07				(0.02)	(0.01)	(0.02)				aine Capital Man		2.6%
									*All consens	sus numb	ers are fron	Capital IQ	Ownership: Management Co		1.7 M	1.0%
aluation Metrics	2006	2007	2008	2009				atings: Ca	apital IQ		Poter	ntial Upside				*Source: CapitalIQ, Bloor
EV/EBITDA - Current	NM	NM	NM NM	NM			Average			\$1.16 \$1.25		205% 229%	Historical Valuatio	n Parameters		
Est. EV/EBITDA - Target EV/SALES - Current	1.9x	NM	1.9x	21.0x 1.0x			Median	Target Outperforn	~	\$1.25 5		229%	8.0x	FWD EV/SALES - NTM		Intrinsyc Software International Inc. Average of Comps
EV/SALES - Current Est. EV/SALES - Target	1.9X	INIVI	9.6x	5.3x			Sector		n	0			7.0x			
Current, 1-Year, 2-Year								Jnderperfo	orm	0			6.0x +			
DCF Target		\$1.37	\$1.44	\$1.55			# of Ana	alysts		5				<u>N</u>	1	\wedge 7 \wedge 1
Comparables	Stock Price	•	Pot.		EV/Sales		EBITDA	Margin	P/E		EV/E	BITDA	5.0x		//////	$\nabla \mathbf{Y}$
Comparables	Today	Target	Return	2008	2009	2010	2008	2009	2008	2009	2008	2009	4.0x	\X	-₩	
trinsyc Software International Inc.	0.38	1.50	295%	1.9x	1.0x	0.7x	-64%	-8%	NM	NM	NM	NM	3.0x	¥∕ V	<u> </u>	
smertec AG	9.99	10.00	0%	4.4x	3.4x	3.0x	9%	13%	NM	NM	NM	25.9x	2.0x	·		5
ccess Company, Ltd.	178,000	436,250	145%	1.5x	1.3x	1.1x	6%	9%	NM	37.8x	24.9x	14.6x	1.0x -		V	
pera Software ASA SQUARE Corp.	23.00 4.00	25.19 NM	10% NM	5.0x NM	3.6x NM	2.8x NM	12% NM	18% NM	NM NM	33.0x NM	NM NM	20.6x NM	1.0x			
nith Micro Software Inc.	4.00 7.74	10.83	NIM 40%	2.1x	1.8x	1.6x	18%	22%	13.4x	10.0x	11.6x	8.2x	0.0x	8 8 8	* * * *	00 00 00 00 00 00 00 00 00 00 00 00 00
fraware Inc.	17,100	25,000	46%	4.8x	3.7x	3.0x	30%	39%	20.8x	11.8x	15.6x	9.4x	Now F dd	Aug05 Nov05 Feb06 Mav06	Aug06 Nov06 F db07	Mayo7 Aug07 Nov07 Feb08 May08
crodea Inc.	163,000	425,000	161%	2.6x	1.7x	1.2x	28%	32%	31.4x	12.7x	9.1x	5.2x				
verage				3.4x	2.6x	2.1x	17%	22%	21.9x *All consens	21.1x	15.3x ers are from	14.0x				
			2.4	-		0	FDA						Performance Para			
istorical Valuation Parameters 3-Yr Avg.	EV/E	BITDA TTM	P/C	2009	EBITDA 2008	Growth 2009	2008	rowth 2009	Sales Gr 2008	2009	Retu Last 3mtl	rns % YTD		Quarterly	y Revenue & EBITDA Margi	in
trinsyc Software International Inc.	NM	NM	NM	NM	6%	-77%	30%	71%	52%	81%	-45%	-59%	18 -	Revenu	e EBITDA Ma	rgin % • 20%
smertec AG	NM	NM	NM	29.4x	189%	100%	89%	119%	26%	30%	14%	-9%	16 -			
ccess Company, Ltd.	26.3x	24.2x	32.9x	26.5x	-32%	71%	102%	NM	8%	17%	-42%	-65%	14 -			
bera Software ASA	NM	NM 1.0	NM	28.8x	NM	99%	NM	93%	45%	37%	49%	78%	12 -			20%
SQUARE Corp. nith Micro Software Inc.	NM 14.1x	1.9x NM	NM NM	NM NM	NM 149%	NM 42%	NM NM	NM 34%	NM 37%	NM 19%	-21% -6%	-41% -9%	<u>و</u> 10 -			6
man milero gonware inc.		NM	17.0x	10.4x	149% 42%	42% 67%	51%	34% 76%	37%	19% 30%	-6%	-9% 7%	[≥] 8 -		E.	
raware Inc.									/-		- /0					
fraware Inc. crodea Inc.	14.0x 26.1x	23.1x	13.4x	7.5x	NM	75%	NM	148%	NM	55%	-60%	-52%	\ 	n _ m A m	لم م	60%

		Intrinsyc Software			
Discounted Cash Flow Analysis (FY-End Dec, US\$)	2007	2008	2009	2010	2011
Modeled Units Shipped	125,000	600,000	4,881,250	9,375,000	12,687,500
Revenue (\$)	19,705,794	27,629,806	50,113,713	70,146,178	86,067,046
Revenue growth	2%	45%	81%	40%	23%
EBITDA (\$)	(13,434,798)	(17,604,765)	(4,129,541)	12,611,467	18,604,114
EBITDA Margin	-70%	-64%	-8%	18%	22%
Amortization (\$)	797,385	909,664	1369,433	1,438,925	1,508,684
EBIT (\$)	(14,232,183)	(18,514,430)	(5,498,973)	11,172,542	17,095,430
NOPAT [EBIT * (1- effective tax rate)]	(14,512,370)	(18,664,055)	(5,498,973)	11,172,542	17,095,430
Plus Amortization (\$)	797,385	909,664	1,369,433	1,438,925	1508,684
Less Capital Expenditures (\$)	(562,912)	(888,861)	(801,819)	(841,754)	(1,032,805)
Capital Intensity	0	0	0	0	0
Net Working Capital Changes	303,368	3,110,698	3,929,574	(1,917,176)	169,543
Terminal Value		278,417,843	278,417,843	278,417,843	
Equity Value		246,201,067	274,754,236	296,539,879	
DCF Value	1	137	144	155	

 DCF Value
 137
 144

 Source: Haywood Securities Inc., Company Reports, Target, Return and Forecasts are Consensus Based Using Capital IQ.
 Source: Haywood Securities



2009E

Revenue Breakdown by Business Segment

2007A

2008E

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60

50

Soleur

Services
 Software

2006A

2005A



Investment Thesis

Intrinsyc Software operates primarily as two businesses: the wireless systems engineering group, and the mobility software business that has been responsible for the development of Soleus, a consumer software product for wireless and handheld devices since 2004.

Soleus is a comprehensive software platform (based on Windows CE) and includes a high-level operating system (HLOS), an application suite, a pre-certified telephony stack, and sophisticated user interface-generation tools. Soleus' modular architecture speeds up the development process, provides a reusable platform, allows a higher degree of customization, and lowers the manufacturer's bill of materials. Within the mobile phone market, feature phones (Intrinsyc's target segment) have evolved as the biggest segment, and in 2006, contributed approximately 60% of the global sales (587 million units). We expect feature phones to continue to be 60% to 65% of global shipments going forward.

Q2/08 Inline; Soleus[™] Royalties to Begin in 2H/08

On August 12th, 2008 Intrinsyc Software released their Q2/08 financial results; the financial results were inline with expectations (\$5.6M in revs; and EPS of -\$0.03). We believe the most important takeaways from the conference call were: (1) the update on future software license agreements (SLAs); (2) the Company has several mobile products that should be released in the 2H/08 and lead to SoleusTM royalty revenue; and (3) the integration of Destinator's GPS product and SoleusTM is progressing well, introducing "SoleusTM Transit".

Financially, we expect Q3/08 revenues of US\$8.0M (from US\$8.2M, cons: US\$8.1M), EBITDA of -US\$5.5 (from -US\$6.7M, cons: -US\$5.8M), and EPS of -US\$0.03 (from -US\$0.05, cons: -US\$0.03). For FY2008, we expect revenues of US\$27.6M (from US\$28.2M, cons: US\$28.0M), EBITDA of -US\$17.6M (from -US\$20.3M, cons: -US\$19.0M), and EPS of -US\$0.11 (from -US\$0.16, cons: -US\$0.12). For FY2010, we expect revenues of US\$70.1M (from US\$79.0M), EBITDA of US\$12.6 (from US\$14.8M), and EPS of US\$0.06 (from \$0.09). The Company maintains a strong balance sheet with US\$21.5M in cash & equiv and no debt. We do not expect Intrinsyc Software to need cash before they reach the operational cash flow positive stage in Q3/09 (EPS positive in Q4/09).



Cash Flow from Operations

Source: Haywood Estimates, Company Data





Company management indicated that the interest in SoleusTM has never been stronger; despite the industry interest, the Company has not released a SLA since early in 2008. We expect to see a SLA in the near future, and we expect to see royalty revenues starting in Q3/08. There are several SoleusTM- and Destinator-based products that should likely hit the market in the 2H/08, which will benefit Intrinsyc from a top-line and marketing perspective. We remain confident that SoleusTM will find its niche in the mobile OS space.

SoleusTM and Destinator Powered Handheld Devices



Source: Company Data

As the Destinator integration progresses, we believe that the accretive synergies from the acquisition will be realized. A mobile smartphone with and without GPS will cater to different markets and have different price-points. Furthermore, existing contracts from Destinator can be leveraged for possible SoleusTM contracts. One of the new developments is "SoleusTM Transit" - the integration of the existing SoleusTM OS with the Destinator GPS system. We estimate that this integration has the potential to add US\$1.50-2.00 in royalties per unit shipped.

We remain positive on Intrinsyc's potential. The Company is financially well-positioned; operating in the mobile handset market; and has a fundamentally solid product. We believe that the stock is heavily discounted at the \$0.38 level and reiterate our **SECTOR OUTPERFORM** rating and \$1.50 target.

Valuation

From a valuation perspective, Intrinsyc is trading at a discount to the Haywood Global Mobility Software Universe based on our CY2009/CY2010 estimates (EV/Sales: '09: 1.0x versus 2.6x, '10: 0.7x versus 2.1x). Our DCF-based target of \$1.50 yields a CY2010 valuation of 3.8x EV/Sales.





Haywood Global Software Comparables

CANADA TECHNOLOGY Small Cap - Software/Services	Ticker	Trdg Curr	Local I 12-Aug		Pot. Return	% of 52 Low		Mkt. Cap. (US\$mm)		arket Ind 7-day				Revenue CY08E		180-day CY08E		P/E CY08E (EV/Sa CY08E		EV/EB CY08E (/Headcou CY08E		Cash per Share
Small Cap - Software/Services Constellation Software Inc. Absolute Software Corporation SXC Health Solutions, Corp. Corel Corporation Intermap Technologies Corp. Logbec Groupe Informatique Liee Points International Ltd. Matrikon Inc. DEO Systems Corporation DEO Systems Corporation Belzberg Technologies Inc. Bridgewater Systems Corporation Belzberg Technologies Inc. Zaio Corp. Redknee Solutions, Inc. Immersive Media Corp. Grey Island Systems International I Brainhunter Inc.	TISKGT TSX.CSU TSX.ABT SXCI TSX.CRE TSX.IMP TSX.LIMP TSX.LIMP TSX.LIMP TSX.LIMP TSX.LIMP TSX.LIMP TSX.TWT TSX.MIX TSX.TWT TSX.MIX TSX.BWC TSX.BWC CDNX:IMC CDNX:IMC CDNX:IMC	VR CAD VR CAD VR USD VR CAD VR CAD	29.19 11.71 14.50 9.61 4.92 21.00 0.98 4.69 4.50 1.50 0.90 0.38 3.20 4.04 0.44 0.44 0.44 0.26 6.0.27	Target 31.24 18.92 19.45 13.43 10.30 27.68 2.88 5.28 6.75 2.17 2.70 5.25 NA 1.50 0.73 2.35 0.74	Return 7% 62% 34% 40% 109% 32% 194% 13% 50% 45% 200% 295% 64% NA 241% 80% 199% NA	Low 130% 119% 147% 137% 122% 109% 229% 113% 146% 120% 146% 146% 114% 314% 131% 114% 116% 104%	99% 58% 67% 43% 93% 23% 97% 63% 77% 50% 29% 58% 11% 46% 28% 58% 11% 46% 33%	(US\$mm)) 580 526 231 213 194 138 135 80 73 59 58 68 68 68 66 23 45 29 22 21 11	1-day 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0%	7-day 7% 6% 11% 0% 6% 5% -1% 3% -6% 2% 0% -8% 0% -7% 38% 0% -6% 2% -4%	30-day 8% 4% 1% 4% 1% -5% 4% -3% -1% 10% -18% 22% -4% 159% -8% -15% -12% -18%	90-day 15% 8% -11% -24% 10% -51% 20% -21% -24% -28% -24% -28% -32% 28% -16% -71% 13% -20% -33%	16% -36% -1% -53% -6% 95% -31% 9% -36% -9% -25% -73% 1% -25% -73% 1% -23% -23% -23% -23% -23% -23% -23% -23	CY08E 306 44 556 257 31 72 68 76 81 67 4 26 81 67 4 26 81 25 0 20 0 NA	CY09E 350 71 829 266 37 NA 96 95 NA 72 12 52 54 NA 24 59 NA 24 59 NA NA	CY08E 11% -5% NMF 2% -2% 7% 1% 7% 9% NMF NMF 1% NMF NMF NMF NMF	CY09E 6% 8% NMF 1% -12% NMF 0% NMF NMF NMF 0% NMF 0% NMF NMF NMF NMF	13.3 NMF 23.8 6.1 NMF 21.6 NMF 18.1 NMF 17.2 NMF 16.0 NMF NMF NMF NMF NMF NMF	11.7 NMF 17.0 5.6 NMF NMF NMF NMF 14.8 NMF 14.8 NMF 11.4 NMF NMF 11.4 NMF NMF 13.3 NMF NMF	1.9 NMF 0.4 1.4 5.5 3.2 1.8 1.5 1.0 0.9 0.7 NMF 0.7 0.6 0.5 NMF	1.7 6.6 0.3 1.3 4.7 NMF 1.3 1.2 NMF 0.8 4.0 0.4 0.6 NMF 0.7 0.5 NMF NMF NMF	11.5 NMF 7.2 5.9 NMF 8.9 NMF 9.4 13.5 9.0 NMF NMF 8.7 NMF NMF NMF NMF 2.8 NMF	10.1 NMF 5.2 5.5 NMF 14.2 NMF 14.2 NMF 6.4 15.9 NMF 6.4 15.9 NMF 0.8 NMF NMF NMF NMF	HC 1,200 217 429 1,110 670 430 76 530 643 308 NM 174 204 95 NM 335 NM NM NM 250	0.25 0.20 1.32 0.23 0.05 0.17 0.89 0.14 0.13 0.22 NA 0.15 0.22 NA NA 0.15 NA NA	0.29 0.33 1.93 0.24 0.06 NA 1.26 0.18 NA 0.24 NA 0.26 NA 0.26 NA 0.26 NA NA 0.18 NA 0.18 NA	Share 0.94 1.11 4.05 1.30 0.97 0.36 0.24 0.63 0.866 0.25 0.14 0.22 1.62 1.49 0.11 0.26 0.52 0.13 0.02
EmerGeo Solutions Worldwide Inc. iseemedia Inc. ZipLocal Inc.	TSXV:EMG CDNX:IEE TSXV:ZIP	NR CAD NR CAD NR CAD	1.15 0.17 0.10	NA NA 0.30	NA NA 200%	115% 103% 100%	91% 23% 29%	11 8 7	0% 0% 0%	0% -18% -9%	-16% -8% -9%	-25% -41% -26%	51% -67% -44%	NA NA 5	NA NA 8	NMF NMF -11%	NMF NMF -12%	NMF NMF NMF	NMF NMF NMF	NMF NMF 1.5	NMF NMF 0.9	NMF NMF NMF	NMF NMF 4.3	NM 37 NM	NA NA NA	NA NA NA	0.07 0.11 0.01
								Mean Median	0% 0%	1% 0%	4% -2%	-16% -21%	-22% -33%	86% 29%	48% 23%	1% 1%	-1% 0%		12.3x 12.5x	1.5x 1.0x	1.8x 1.1x	8.5x 8.9x	7.5x 5.5x	419 322	0.32 0.20	0.48 0.26	0.70 0.31
CANADA TECHNOLOGY	Ticker	Trdg Curr	Local I 12-Aug	Price Target	Pot. Return	% of 52 Low	week High	Mkt. Cap. (US\$mm)	M 1-day	arket Ind 7-day		Return % 90-day	6) YTD	Revenue CY08E	(USD) CY09E	180-day CY08E	% chg CY09E (P/I CY08E (EV/Sa CY08E		EV/EB CY08E (/Headcou CY08E		Cash per Share
Research In Motion Ltd. Nortel Networks Corp. CGI Group, Inc. Celestica Inc. Open Text Corp. Macdonald Dettwiler & Associates I Macdonald Dettwiler & Associates I dastra Technologies Ltd. Cinram International Income Fund Descartes Systems Group Inc. Certicom Corp.	RIMM I NT TSX:GIB.A : TSX:CLS OTEX : TSX:MDA TSX:MDA TSX:AH TSX:CRW.UN TSX:CRW.UN TSX:DSG TSX:CIC	NR USD NR USD SO CAD NR CAD SO USD NR CAD NR CAD NR CAD NR CAD NR CAD NR CAD	128.29 5.94 11.40 9.03 34.74 31.79 17.70 4.63 3.87 1.66	165.73 9.83 15.00 9.62 43.00 43.08 32.81 6.46 5.69 2.42	29% 65% 32% 7% 24% 35% 85% 39% 47% 46%	208% 104% 127% 194% 193% 110% 101% 132% 133% 132%	87% 30% 95% 91% 89% 62% 48% 22% 78% 61%	72,440 2,949 3,323 1,939 1,775 1,202 258 248 192 68 Mean	0% 0% 0% 0% 0% 0% 0% 0%	5% -3% 2% 11% 16% 7% -9% 13% 5% 10%	17% -9% 15% 7% 14% -1% -11% -11% -14% 19% 4%	-7% -25% 2% -3% -6% -21% -33% -25% 5% -19% -13%	13% -61% -2% 56% 10% -24% -48% -19% -7% 5%	9,677 11,241 3,610 7,939 740 1,160 802 1,894 69 19	14,180 11,502 3,741 8,300 771 1,260 926 1,811 77 25 13%	17% -3% -2% -3% 1% 18% NMF 0% 2% 0%	NMF -3% -5% 3% 19% NMF 0% -3% 20%	37.6 15.2 13.1 11.1 16.4 14.7 8.8 11.1 15.4 NMF 15.9x	26.2 7.6 12.0 10.0 14.1 12.1 7.0 NMF 13.2 NMF	7.3 0.5 1.0 0.2 2.5 1.4 0.2 0.4 2.1 2.1 1.8x	5.0 0.5 1.0 0.2 2.4 1.3 0.1 0.4 1.9 1.6	NMF 5.3 6.3 4.6 9.7 9.6 2.0 3.2 9.0 NMF 6.2x	17.2 4.6 6.1 4.3 9.2 8.4 1.7 3.3 7.7 NMF 6.9x	8,387 32,550 26,500 31,000 2,800 3,000 1,600 17,000 300 101 12,324	1.15 0.35 0.14 0.26 0.26 0.39 0.50 0.11 0.23 0.19 0.36	1.69 0.35 0.14 0.27 0.28 0.42 0.58 0.11 0.26 0.25 0.43	2.44 6.20 0.20 5.02 4.22 1.03 9.28 2.28 0.89 0.63 3.22
		_						Median	0%	6%	6%	-13%	-4%	9%	7%	0%	-2%	14.7x	12.0x	1.2x	1.2x	5.8x	6.1x	5,694	0.26	0.27	2.36
INTERNET	Ticker	Trdg Curr	Local I 12-Aug	Price Target	Pot. Return	% of 52 Low	week High	Mkt. Cap. (US\$mm)	M 1-day	arket Ind 7-day	icators (I 30-day			Revenue CY08E	(USD) CY09E	180-day CY08E	% chg CY09E (P/I CY08E (EV/Sa CY08E		EV/EB CY08E (/Headcou CY08E		Cash per Share
Google Inc. eBay Inc. Yahoo! Inc. Amazon.com Inc.	YHOO	NR USD NR USD NR USD NR USD	502.61 26.05 20.43 87.25	643.54 31.08 23.95 89.96	28% 19% 17% 3%	122% 111% 110% 143%	67% 64% 60% 86%	158,044 33,880 28,312 37,162	0% 0% 0% 0%	5% 2% 3% 10%	-6% -7% -13% 27%	-13% -17% -25% 18%	-27% -22% -12% -6%	22,431 9,021 5,630 19,844	28,006 10,164 6,374 24,705	-2% 4% 0% 3%	-5% 2% -2% 3%	25.6 14.9 NMF NMF	20.8 13.3 38.1 NMF	6.5 3.3 4.7 1.8	5.2 2.9 4.1 1.4	15.6 9.0 14.0 NMF	12.3 8.1 12.1 19.4	19,604 15,500 14,300 17,000	1.14 0.58 0.39 1.17	1.43 0.66 0.45 1.45	38.59 3.12 1.88 5.59
								Mean Median	0% 0%	5% 4%	0% -6%	-9% -15%	-17% -17%	25% 27%	19% 19%	1% 1%	0% 0%	20.2x 20.2x		4.1x 4.0x	3.4x 3.5x		13.0x 12.2x	16,601 16,250	0.82 0.86	1.00 1.04	12.29 4.35
GLOBAL SOFTWARE	Ticker	Trdg Curr	Local I 12-Aug	Price Target	Pot. Return	% of 52 Low	week High	Mkt. Cap. (US\$mm)	M 1-day	arket Ind 7-day	icators (I 30-day		6) YTD	Revenue CY08E	(USD) CY09E	180-day CY08E	% chg CY09E (P/I CY08E (EV/Sa CY08E		EV/EB CY08E (/Headcou CY08E		Cash per Share
Microsoft Corporation Oracle Corp. SAP AG VMware, Inc. Adobe Systems Inc. Symantec Corporation CA, Inc. VeriSign Inc. Salesforce.com Dassault Systemes SA BMC Software Inc. Citrix Systemes, Inc. McMee, Inc. Sage Group plc Autonomy Corp. plc Autonomy Corp. plc Autonomy Corp. plc Autonomy Corp. Plc Autonomy Corp. Plc Autonomy Corp. Parametric Technology Corp. Informatica Corp. Open Text Corp. Tibco Software Inc. Misys plc Lawson Software Inc. Epicor Software Corp. Manhattan Associates, Inc. JDA Software Group Inc.	SYMC CA ADSK VRSN CRM ENXTPA-DSY BMC CTXS MFE LSE:AU LSE:SGE LSE:AU ANSS SY PMTC CTEX LSE:MSY LUSEN CNOR MSTR EPIC CNOR MSTR EPIC	NR USD NR USD	28.12 22.90 38.43 34.89 45.62 42.23 42.03 34.68 42.23 42.03 34.68 42.03 34.64 46.99 2.03 10.04 46.99 2.03 10.04 46.99 34.77 1.76 8.38 8.43 10.04 46.90 10.04 17.91	35.33 25.39 41.28 37.87 49.33 24.00 28.79 40.36 47.57 40.36 47.57 40.36 73.67 73.72 74.10 74.50 73.72 74.10 74.50 74.10 74.50 74.10 74.50 74.10 74.50 74.10 74.50 74.10 74.50 74.10 74.50 74.10 74.50	26% 11% 7% 9% 8% 10% 10% 10% 25% 5% 10% 10% 7% 6% 7% 24% 7% 6% 7% 7% 6% 7% 7% 6% 7% 7% 7%	113% 126% 135% 109% 149% 151% 120% 133% 135% 127% 133% 135% 137% 135% 137% 137% 138% 136% 132% 136% 122% 122%	75% 97% 92% 28% 94% 67% 76% 93% 67% 76% 93% 84% 85% 83% 93% 93% 93% 93% 93% 93% 93% 93% 93% 9	256,744 118,069 68,209 13,536 24,199 18,368 12,552 7,702 6,227 8,449 7,361 6,590 5,834 4,504 4,098 4,178 2,926 1,569 1,569 1,611 1,458 2,457 1,569 1,611 1,458 2,457 1,569 1,611 1,458 2,457 1,569 1,611 1,458 2,457 1,569 1,611 1,458 2,457 1,619 1,611 1,458 2,457 1,619 1,611 1,458 2,457 1,619 1,611 1,458 2,459 1,619 1,6	0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0	7% 3% 1% 5% 6% 6% 2% 1% 2% 1% 2% 1% 2% 1% 2% 1% 8% 8% 8% 12% 12% 12% 12% 5% 20% 10%	11% 9% -11% 16% 9% 4% -3% 11% 6% 21% 6% 12% 6% 10% 11% 6% 10% 11% 6% 13% 6% 13%	-6% 5% 177% -17% 6% 1% -14% -19% 1% -3% -3% -3% -8% 2% 4% 19% 4% 19% -3% -6% 0% 0% 26% -14% -14% -3% -5%	-21% 1% 55% -5% -3% -3% -3% -14% 12% 4% -3% -14% 13% 3% -14% 13% 3% -13% -3% -3% -3% -3% -7%	63,232 24,061 18,052 16,287 4,480 6,287 4,480 1,075 2,006 1,872 2,507 4,487 4,487 4,107 5,207 4,487 4,107 5,207 4,107 4,107 5,207 4,107 4,	71,281 27,691 19,888 2,428 4,086 6,733 4,767 2,825 1,122 2,825 1,122 2,213 2,225 1,122 2,193 2,225 1,195 1,195 1,195 502 573 529 771 1,151 9599 771 1,151 9593 778 4,05 573 3,278 4,00 573 3,278 4,00 573 4,00 573 3,278 4,00 573 4,00 573 4,00 573 4,00 573 4,00 573 573 573 573 573 573 573 573 573 573	0% 4% -1% -6% 2% 2% 2% -3% 5% -2% 7% 3% 5% 4% 7% 3% 3% -1% 0% 3% -1% 1% -1% 3% -5% -1% 0% -2%	1% 8% -14% 2% 4% 4% 4% 3% 5% 5% 5% 5% 5% 5% 5% 5% 5% 5% 5% 5% 5%	14.4 16.8 19.8 38.3 23.4 15.3 15.3 15.3 32.3 NMF 19.7 20.4 19.7 13.2 29.7 29.9 24.2 29.7 29.9 24.2 19.8 10.9 19.8 10.9 19.8 10.9 19.8 10.9 10.9 10.9 10.9 10.9 10.9 10.9 10.9		3.7 4.9 3.6 6.7 6.3 9 2.8 2.7 7.6 4 3.2 2.7 7.6 3.3 3.2 2.4 8.0 8.6 8.6 8.6 8.6 1.5 1.4 4 1.5 1.5 1.4 1.5 1.5 1.4 1.5 1.5 1.4 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	3.3 4.3 5.2 5.2 5.6 2.6 6 2.6 4 4 5.7 3.0 2.9 2.6 4 4 5.7 3.0 2.9 2.0 2.5 4 1.9 1.3 8.4 1.3 8.4 1.1 3.1 1.6 1.4 1.6	8.4 10.8 12.1 13.8 7.6 9.2 10.3 10.3 10.3 10.3 10.3 10.3 18.9 17.3 8.4 13.6 9.7 9.3 9.0 9.1 10.5 8.4 9.7 9.3 9.0 9.1 10.5 8.4 13.6 8.4 13.6 8.4 13.6 13.6 13.6 13.6 13.6 13.6 13.6 13.6	7.6 9.4 10.3 12.4 7.0 7.8 12.2 12.2 14.9 9.5 8.4 7.7 11.0 9.2 8.4 8.4 7.5 7.5 8.6 6.0 9.5 5.5	91,000 84,233 42,772 5,000 6,959 17,600 13,700 4,251 2,606 7,459 5,800 4,620 4,620 4,620 4,620 13,900 1,400 3,996 1,400 3,996 1,400 3,996 1,400 3,996 1,400 1,400 3,996 1,400 1,400 3,996 1,400 1,500 1,500 1,500 1,400 1,400 1,500 1,500 1,500 1,400 1,500 1,500 1,500 1,500 1,400 1,500	0.69 0.29 0.42 0.38 0.52 0.36 0.36 0.34 0.22 0.47 0.35 0.37 0.35 0.37 0.35 0.37 0.36 0.28 0.28 0.24 0.24 0.23 0.34 0.23 0.34 0.23 0.34 0.23 0.34 0.23 0.34 0.24 0.34 0.23 0.34 0.23 0.34 0.24 0.35 0.35 0.34 0.35 0.34 0.35 0.34 0.35 0.34 0.34 0.35 0.34 0.35 0.34 0.35 0.34 0.35 0.34 0.34 0.35 0.34 0.35 0.34 0.35 0.34 0.35 0.34 0.35 0.34 0.35 0.34 0.35 0.35 0.34 0.35 0.35 0.35 0.35 0.35 0.35 0.35 0.35	0.78 0.33 0.46 0.49 0.59 0.38 0.25 0.39 0.26 0.29 0.30 0.29 0.39 0.42 0.39 0.42 0.39 0.42 0.39 0.42 0.39 0.25 0.38 0.26 0.25 0.25 0.25	2.32 2.14 3.05 3.37 3.52 2.89 4.65 3.289 4.65 3.289 4.61 4.12 2.61 4.12 2.63 3.54 5.32 4.01 4.22 6.32 4.21 4.21 4.22 4.23 4.23 4.21 4.24 4.24 4.24 4.24 4.24 4.24 4.24
		Trdg	Local I	Price	Pot.	% of 52	week	Median Mkt. Cap.	0% M	4% arket Ind	11% icators (I	1% Return %		15% Revenue	10% (USD)	1% 180-day	2% % chg	17.3x P/		2.8x EV/Sa	2.7x	9.3x EV/EB	8.5x		0.32 /Headcou		2.97 Cash per
ALOBAL WIRELESS EQPT Nokia Corp. Research In Motion Ltd. Lik Ericsson Telephone Co. Motorola Inc. Juringer Networks, Inc. Alumasc Group plc Nortel Networks Corp. Tellabs Inc. 3Com Corporation Palm, Inc. Sierra Wireless Inc.	i / cem	NR EUR NR USD NR SEK NR USD NR USD NR USD NR USD NR USD NR USD NR USD NR USD NR CAD	12-Aug 17.85 128.29 72.50 10.02 25.90 1.59 5.94 5.32 2.20 7.50 12.77	Target 20.99 165.73 81.36 11.01 30.11 2.00 9.83 5.52 2.83 5.91 19.08	Return 18% 29% 12% 10% 16% 26% 65% 4% 29% -21% 49%	Low 121% 208% 144% 151% 125% 110% 104% 127% 125% 178% 105%	High 62% 87% 54% 51% 68% 69% 30% 49% 43% 39% 52%	(US\$mm) 98,588 72,440 36,568 22,699 14,078 108 2,949 2,115 892 813 376	1-day 0% 0% 0% 0% 0% 0% 0% 0% 0%	7-day 0% 5% 7% 5% 0% 3% -3% 3% 7% 10% 2%	30-day 11% 17% 13% 43% 19% 3% -9% 21% 9% 36% -12%	90-day -3% -7% -7% 1% -5% -13% -25% -3% -13% 29% -28%	YTD -33% 13% -4% -38% -22% -12% -61% -19% -51% 18% -13%	82,187 9,677 31,066 32,172 3,603 246 11,241 1,769 1,307 1,305 592	CY09E 85,068 14,180 32,438 34,379 4,272 NA 11,502 1,745 1,385 1,635 643	CY08E -2% 17% 3% -7% 3% 1% -3% -3% -3% -3% 5%	CY09E -3% NMF 3% -12% 4% NMF -3% -9% -10% 3% 1%	12.2 37.6 15.0 NMF 22.3 8.2 15.2 26.5 12.2 NMF 9.1	10.7 26.2 11.8 25.6 18.1 NMF 7.6 23.9 8.6 NMF 8.7	1.1 7.3 1.0 0.6 3.4 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	CY09E 1.0 5.0 0.6 2.9 NMF 0.5 0.5 0.5 0.7 0.3	6.4 NMF 7.3 17.3 13.0 4.6 5.3 7.4 3.6 NMF 2.8	6.0 17.2 5.9 9.8 7.8 NMF 4.6 6.0 NMF NMF 2.7	HC 112,262 8,387 74,011 66,000 5,879 847 32,550 3,716 6,103 1,050 268	0.73 1.15 0.42 0.49 0.61 0.29 0.35 0.48 0.21 1.24 2.21	0.76 1.69 0.44 0.52 0.73 NA 0.35 0.47 0.23 1.56 2.40	Share 4.34 2.44 2.87 3.18 4.02 0.17 6.20 3.54 1.24 2.39 6.02

Source: Haywood Estimates, Capital IQ







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