



PRESS RELEASE

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Anoto Group opens Silicon Valley operations to expand into new business areas and strengthen collaboration with partner LeapFrog in pentop computing

Former LeapFrog Executive Jim Marggraff to establish Anoto Silicon Valley, operations to develop and market content, tools and software for standard pentop computers

Anoto Group AB, the world leader in digital pen and paper technology and solutions, today announced that LeapFrog's Executive Vice President of Worldwide Content, Jim Marggraff, will become CEO of Anoto, Inc, a wholly owned subsidiary of Anoto Group AB, where he will establish the company's Silicon Valley office, California, and drive a new category in digital pen and paper – pentop computing.

Anoto is the worldwide supplier of digital pen and paper technology to Logitech, Maxell, Nokia, Hitachi and hundreds other Anoto partners. Digital pens transfer handwritten information from paper to any computer, mobile phone, PDA, fax or information bank where the information can be processed as notes, email, or data from paper forms for personal or enterprise applications. Earlier this year, Anoto AB announced a technology licensing partnership with LeapFrog, jointly developing a new platform leveraging Anoto's digital pen technology. Jim Marggraff and a team at LeapFrog pioneered the FLY pentop computer, a new concept in interactive paper. Marggraff also brought the vision for LeapFrog's highly successful LeapPad learning system and other platforms at LeapFrog.

"Pentop computing is an evolution of paper-based multimedia, now used by more than 20 million children and adults worldwide through our groundbreaking LeapPad family of learning systems. We believe that this latest technology platform has the ability to become as ubiquitous as pen and paper," said Tom Kalinske, Chief Executive Officer of LeapFrog Enterprises. "As demonstrated by our new FLY pentop computer, this medium provides extraordinary value in learning applications. We can already see that it has great potential for enabling new forms of personal productivity, business applications, forms-support, school applications, entertainment, commerce and more."

"Anoto Inc. and Jim will help to drive these opportunities for partners of Leapfrog and Anoto and for other companies that have an interest in developing applications for pen-based platforms, software, and content," continued Kalinske. "We are excited to have Jim champion this coordinated effort to expand this platform and our content beyond LeapFrog's core audiences."

"I am delighted to focus exclusively on expanding the market for digital pen and paper-based platforms that LeapFrog has ignited with the FLY pentop computer. I believe that FLY can be LeapFrog's most powerful learning platform yet," said Marggraff

"Leading Anoto Inc's efforts to develop a standard for pentop computing built upon Anoto's core technologies, we will drive the adoption of pentop computing globally to all ages and into new categories with Anoto, LeapFrog, our partners, and new enterprises," continued Marggraff. "Anoto functionality is the 'missing link' between the paper-world and the digital-world, and is the harbinger of a new industry."



Örjan Johansson, CEO of Anoto AB said, "We believe that we are approaching the tipping point for digital pen and paper technology. Jim shares our broad vision and enthusiasm for this transformative technology and will allow Anoto to strengthen our business relationship with LeapFrog."

LeapFrog launches its highly anticipated FLY pentop computer at retailers in the US in October. (www.liveonthefly.com). The FLY pentop computer is a new, leading edge computing platform designed to bring the power of computer interactivity to the most prolific and user-friendly interface of all -- pen and paper. The FLY pentop computer is the first consumer electronics device that gives users real-time audio feedback as they write and draw on special FLY paper, making what they write come to life. For instance, a FLY pentop computer user can draw a calculator, touch the handwritten digits and functions to perform an operation, and hear the answer announced from the FLY pentop computer. A user can also write a word and hear it translated to another language, or draw a piano keyboard or drum set and play it. FLY's MSRP is \$99.99 and it is targeted at youth from age 8 to 14.

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About Anoto Group

Anoto Group AB is a Swedish hi-tech company with unique solutions for transmission of handwritten text from paper to digital media and scanning of printed text. All products are based on digital camera technology and image processing in real time. The Anoto Group today has two brand names: Anoto® – a comprehensive solution entailing paper, pen and server technologies, allowing us to connect all types of writing paper with the digital world and C-Pen® – a scanning pen that can store, interpret and transfer printed text. The Anoto Group has around 100 employees, offices in Lund (head office), Stockholm, Boston and Tokyo. Major shareholders are Norden Technology, Logitech International S/A, Robur and DNB. The Anoto share is traded on the O-list of Stockholmsbörsen (Stockholm Stock Exchange) under the ticker ANOT. For more information: www.anotogroup.com

About LeapFrog

LeapFrog Enterprises, Inc. is a leading designer, developer and marketer of innovative, technology-based learning products and related proprietary content, dedicated to making learning effective and engaging for all ages, at home and in schools, around the world. The company was founded in 1995 and is based in Emeryville, California. LeapFrog has developed a family of learning platforms that come to life with more than 100 interactive software titles, covering important subjects such as phonics, reading, writing, math, music, geography, social studies, spelling, vocabulary and science. In addition, the company has created more than 35 stand-alone educational products for children from birth to 16 years. LeapFrog's award-winning U.S. consumer products are available in six languages at major retailers in more than 25 countries around the world. The LeapFrog SchoolHouse-curriculum programs are currently in more than 80,000 classrooms across the U.S. with over 200 interactive books and over 450 skill cards representing more than 6,000 pages of educational content. LeapFrog SchoolHouse(TM) products have won numerous awards from the education industry, including the Golden Lamp Award and Distinguished Achievement Award from the Association of Educational Publishers, the Award of Excellence from Technology & Learning magazine and the Teacher's Choice Award from Learning magazine.