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PRESS RELEASE

EFFNET ANNOUNCES FULL EMBRACE OF LICENSING MODEL FOR IP-PROCESSING TECHNOLOGY – innovator focuses on core competence

Effnet today announced a strategic transition to full licensing of its award-winning IP packet-processing algorithms and modules. This strategy — implemented by Effnet Group AB's recently appointed CEO Tony Svensson — will phase the company out of the hardware business, its secondary line of business, and allow Effnet to focus on licensing its performance enabling IP processing technology worldwide. Effnet has signed several licensing agreements with key network processor component manufacturers in North America and Europe during the past year.

Effnet today signed an MOU (memorandum of understanding) with Ingram Micro AB — and is negotiating with select other companies — to transfer the manufacturing, distribution and support of the standard component, firewall/router systems that are based on Effnet's proprietary IP-packet processing technology.

"The synergies are considerable," said Thomas Norrby, Ingram Micro's Vice President of Sales. "With Effnet's technology and Ingram's logistics and market presence, we are creating a new model for success."

Effnet confirmed its intention to provide full support to existing FTC Blue Box customers through the transition.



"Key customers agree this new strategy will allow us to focus the company on our core competence," said Norman Rasmussen, chairman of the board, Effnet Group AB.

“The FTC Blue Box was an ideal proof of concept and a necessary product to prove that our inventions had real world application and benefit,” continued Rasmussen. “That point made, we can proceed to further develop and enhance our unique technology offerings and partner with companies that have manufacturing and distribution expertise.”

“Effnet is already a recognized leader in optimized IP packet processing,” said Svensson. “This strategy simply clears the path to more efficiently become the premiere licensor of our innovative technology to additional chip, board/card and systems manufacturers worldwide.”

Effnet is restructuring to support the new business model.

Effnet’s Technology Partner Program — Close Collaboration

Effnet establishes a close partnership with licensees that highlights adaptation of the EffnetEdge™ Toolkit technology modules to their specific component, chip or system designs. Through Effnet’s Technology Partner Program, The Effnet Edge Toolkit, and products like DBB™, licensees can utilize parts, or the whole, of the Effnet technology platform. The new strategy is a key element of Effnet’s goal to maintain and increase its licensees’ distinct competitive advantage.

About Effnet

Effnet develops and licenses IP-packet processing technology designed to resolve bottlenecks in Internet communication and security, thereby creating maximum benefit for licensees. Today, Effnet has offices in four locations: Stockholm, Luleå and Håverud in Sweden; and Mountain View, California, in the U.S. Effnet Group AB is listed on Stockholm’s “*Nya Marknaden*” (New Market). The company has 80 employees including those in the wholly owned subsidiary Wkit, a security services consulting company. Read more about Effnet at www.effnet.com. Read about Wkit at www.wkit.com.

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