



PRESS RELEASE
December 14, 2000

ERICSSON AND NOVESTRA JOIN FORCES IN MULTILET – AN ERICSSON BUSINESS INNOVATION BROADBAND VENTURE

Novestra and Ericsson have entered into a principle agreement to the effect that Novestra will acquire approx. 28 percent of Ericsson Multilet AB in a directed new issue to Novestra. The deal includes an option to increase the ownership stake up to 49 percent of Multilet.

Multilet develops and supplies broadband access solutions for apartment buildings, enabling distribution to individual apartments over existing coaxial cables used for television, usually Cable Television (CATV).

In effect, the Multilet solution turns the CATV cabling into an Ethernet-based local area network (LAN). As TV signals uses different frequencies from Ethernet, both TV and data, at rates of up to 10Mbit/s, can be carried over the same cable.

Thomas Åkerman, President of Novestra, said: "We are joining forces with Ericsson and Multilet because we foresee great demand for the Multilet solution. Data traffic is already growing at a phenomenal rate and, with Internet, electronic commerce and other applications taking off, the need for broadband access to the home will only increase. Multilet provides a cost-effective, easy-to-install, easy-to-maintain solution."

"Multilet fits well into our focus on enabling communication technologies including broadband where we have made significant investments such as B2 Bredband, Continuum and PowerNet," Thomas Åkerman continues.

Staffan Söderlund, General Manager Multilet, commented: "Over the past year, Multilet has grown very quickly. Our solution is now used by 30 customers around Scandinavia – including Internet Service Providers, System Integrators, and CATV operators and distributors. Next year, we will start marketing the solution across the rest of Europe. Forming a separate company together with Novestra will bring the flexibility needed to develop our business in an entrepreneurial way.

"While a variety of solutions are available to bring broadband access to apartment buildings, the difficulty has been to bridge the distance from the building access point to the individual apartment cost-effectively," explained Söderlund. "This is what the Multilet solution does, and this is what has driven our explosive growth."

"Ericsson Business Innovation was formed to help develop innovations from the first concept to market-readiness. Multilet is a great example of the success of this concept," said Jöran Hoff, President of Ericsson Business Innovation. "Together with Novestra, we shall continue to support the company's future development."

FOR FURTHER INFORMATION, PLEASE CONTACT

Thomas Åkerman, President, Novestra.

Phone: +46 8 545 017 50

Email: akerman@novestra.com

Staffan Söderlund, General Manager, Multilet

Phone: +46 8 404 5360

Email: staffan.soderlund@era.ericsson.se

Bengt Larsson, PR Manager, Ericsson Business Innovation

Phone +46 8 719 2529, E-mail: bengt.larsson@inn.ericsson.se

About Ericsson

Ericsson is the leading communications supplier, combining innovation in mobility and Internet in creating the new era of mobile Internet. Ericsson provides total solutions covering everything from systems and applications to mobile phones and other communications tools. With more than 100,000 employees in 140 countries, Ericsson simplifies communications for customers all over the world.

Read more at <http://www.ericsson.com/pressroom>

About Ericsson Business Innovation

Ericsson Business Innovation AB was formed in July 2000 and is currently establishing innovation hubs in several countries to support innovative business ideas and the development of them. The mission of Ericsson Business Innovation is to initiate and develop business ideas with potential to become new Ericsson core business. Ericsson Business Innovation has already invested in a dozen companies including Wireless Car (a joint venture with Volvo and Telia), Connect Things Inc. (bar code technology for the Internet), and Terraplay Systems AB (systems for high-speed multi-player Internet gaming).

About Novestra

Novestra is one of the leading venture capital investment firms in the Nordic countries, primarily with a focus on companies providing enabling services to the network economy. Novestra's portfolio of companies includes B2 Bredband AB, Comintell Holding AB, Continuum Group Ltd, Fanglobe Inc, Iquity Systems Inc, Mobilestop Inc, Netsurvey AB, PowerNet AB and Qbranch AB. Novestra's shares are listed on the O-List of the OM Stockholm Exchange.

For information regarding AB Novestra, please see www.novestra.com