



PRESS RELEASE

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Ground-breaking, Easy-to-Use Streaming Video Technology

AVS TECHNOLOGIES SIGNS USD 6M FUNDING PACKAGE

Helsinki, Finland – January 09, 2001 – AVS Technologies, a leading wireless and fixed Internet video technology company, announced today that it has secured USD 6 million in its second round of funding. zouk ventures ltd., a highly focused venture capital (VC) company specialized in the European Internet, communications and technology sectors, is investing USD 5 million in AVS Technologies. The rest of the package is a follow-on being provided by Nokia Venture Partners, a leading VC fund focused on globally-active mobile-technology start-ups and leading first round investor of AVS.

AVS Technologies' video solution is very easy to use. It is plug-in free, working with a standard Internet browser without any proprietary plug-in programs. The video player is a small Java applet that accompanies the video clip itself. This allows video content and 'rich media' applications to be introduced and distributed to various end-user devices – both fixed and mobile. The simplicity and cost-effectiveness of AVS' solution enables producers of added-value content to achieve wider success among Internet users.

"The advanced MVQ technology enables us to push our products quickly onto the international markets. We will use the additional funding to further accelerate R&D and global sales activities", says Anttoni Vesterinen, CEO of AVS Technologies.

AVS will establish sales offices in the United States and the Far East during 2001. The company is currently enhancing the capabilities of its revolutionary streaming video technology in the areas of real-time solutions and mobile devices. "Products for these platforms will be released in the first half of 2001", Vesterinen continues.

"We see vast potential for AVS Technologies, since the company's video solution will enable content to be viewed by a variety of devices and access methods. This means that a single format will be sufficient to present videos on a PC, PDA or mobile phone, for example. The content or service provider does not even need to know how the video is being viewed, and for the end-user the technology is invisible", says Samer Salty, founder of zouk ventures.

"AVS is all about enabling the convergence of mobility and media. Now the company can fully focus on implementing its sound roadmap for wireline and wireless video and bringing the products to market as the technological environment continues to advance", says Antti Kokkinen of Nokia Venture Partners and the chairman of AVS.

A company presentation video of AVS Technologies is available in Internet at:

<http://www.avstechnologies.com/akdemo/avscorp160.html>

About AVS Technologies: [www.avstechnologies.com]

AVS Technologies is an innovative software company developing fast and easy video technology for both wireless and fixed internet . The company's goal is to provide a simple and secure solution that enables all computer and wireless device users to view high-quality video content – without any proprietary plug-ins needed for a standard web browser. The patented MVQ video codec technology makes it possible to produce profitable and added-value Internet services that reach widespread consumer groups. Founded in 1999, AVS Technology is headquartered in Espoo, Finland.

About zouk ventures ltd: [www.zouk.com]

zouk ventures has established itself as one of the leading specialist pan-European venture capital funds focusing on Internet, Communications and Technology. The Company closed its first fund in 1999, and currently has \$82m under management. zouk's portfolio comprises 12 companies across the Internet, Communications, ASP and technology sectors and includes Mondus; Clicksure; Skillvest; Yac; iProvide; and Living Systems. zouk leverages a highly specialized team of individuals with pan-European backgrounds, with very strong technology, software and finance experience, a very close working relationship with its portfolio companies, and the backing of strategically selected investors. zouk is supported by strong strategic partners, such as Deutsche Post, AMP, Dresdner Kleinwort Benson and PSINet, whose network and experience in high growth markets has proven very valuable to zouk and zouk's portfolio companies.

About Nokia Venture Partners: [www.nokiaventurepartners.com]

Launched in 1998, Nokia Venture Partners is a leader in mobile Internet investments. Backed by Nokia, Goldman Sachs, CDBWebTech, BMC Software and others, the USD\$500 million fund builds partnerships with leading edge wireless technology companies targeting high-growth market opportunities around the world. Nokia has invested in the fund with the intent to gain exposure to markets and technologies beyond the reach of Nokia's current business unit strategies. Nokia Venture Partners has a strong track record of leveraging the firm's combined resources, experience and contacts to help build successful businesses.