



TERRAPLAY SYSTEMS RAISES €9 MILLION FOR CONTINUED GROWTH

- *Real-time online gaming to grow massively, need for telecom infrastructure platform*

Stockholm, 29 August 2001

Terraplay Systems has completed its second financing round worth €9 million. Previous investors Ericsson Business Innovation and IT Provider are joined by Accenture Technology Ventures and Viventures.

The investment ensures Terraplay's continued technical development and commercial expansion and confirms its industry expertise, while the new investors bring vast experience in growing businesses and global presence.

"To have such recognized investors showing strong belief in Terraplay's technology is a massive boost for the company", says Bengt Lilliequist, CEO of Terraplay. "They bring not only capital, but also competence, strategic networks and excellent customer relations, which will further strengthen our relationships with the industry."

He added, "The gaming industry is growing rapidly. Whether it is console games, mobile games or traditional PC games, we recognize the need for a professional telecom network platform that guarantees quality of service for the end user and enables profitable business models for all. This successful second round financing proves that we have the ability and stability to be a long-term network partner for network operators, service providers, publishers and games developers."

Terraplay

Terraplay has developed the world's first reliable and scalable carrier-grade telecommunications platform for online gaming and other demanding real-time IP-based applications such as streaming media and financial applications. The Terraplay System enables true quality of service while optimising bandwidth and system resource utilisation, in wireless and fixed line networks. The Terraplay System supports a multitude of client platforms, including Windows, PlayStation@2, Pocket-PC, Java and Symbian OS.

Investors

"With telcos looking to increase revenue from individual customers, wireless gaming is expected to be central to their plans. Terraplay is setting the standard for online gaming and we consider this a timely investment. With 2.5 and 3G coming on stream in the not too distant future, gaming will increasingly be more user friendly and with systems like that developed by Terraplay, telcos can look to increase their revenue streams," says Jonas Serlachius, Partner at Accenture Technology Ventures. "We are one of few venture capital firms with global presence. As a part of Accenture we have access to a global organization with extensive experience and deep knowledge of management and technology, assets imperative for a company with global ambitions, such as Terraplay."

"We need to provide end users the best possible usability, performance and reliability for all types of access, fixed and wireless, and terminals. The Terraplay System combines optimal network performance for operators with easy and fast implementation for developers," says Eric Plantier, Principal at Viventures.

"We are extremely pleased to continue our involvement in Terraplay together with the new owners. Accenture Technology Ventures and Viventures are dream partners in the ownership, with global reach and excellent reputation among Terraplay's target customers and partners," says Jesper Kärbrink, Partner and Venture Manager at IT Provider.

"The unique technology developed at Terraplay is a key component for high quality interactive real-time services in both wireless and fixed networks. It is extremely important for us to make sure that this type of technology exists in order to make GPRS and 3G a success. We are very pleased with the new investors as they bring experience from both the media and gaming industry as well as from a wider corporate perspective," Says Gunnar Tyrsing, Vice President of Ericsson Business Innovation.

About Accenture Technology Ventures

Accenture Technology Ventures helps talented entrepreneurs build companies that can transform entire industries, create new markets and ultimately generate superior economic returns. Our global portfolio is comprised of innovative companies that are building key components of tomorrow's commerce infrastructure. Launched in December 1999, Accenture Technology Ventures is the venture capital unit of Accenture, the world's leading provider of management and technology consulting services and solutions. Its home page address is <http://www.accenturetechventures.com>.

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About Viventures

Viventures 2, a global venture capital fund capitalized at over 635 million euros, is managed by Viventures Partners through its offices in Paris (France), Silicon Valley (US) and Asia (Singapore). The fund invests in innovative, early stage companies focused on the information technology and telecommunication sectors and provides not only financial commitment but also the technology, business and international expertise of its experienced partners as well as an extensive worldwide network of resources, including relationships with its global, blue chip investors. Investors in Viventures 2 include over 30 industrial and financial enterprises from Europe, the US and Asia who are global leaders in their respective businesses (technology, telecommunications, media and entertainment, and financial services). This unique mix of investors, present and active on an international scale, reflects the fund's global character and contributes to the long-term financial and business success of the fund's portfolio companies.

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About Ericsson Business Innovation

Ericsson Business Innovation AB was formed in July 2000 to support innovative business ideas and the development of them, from both in and out of the company. As the Ericsson entry point for ideas, the goal is to initiate, and develop business ideas with the potential to become Ericsson core business. Ericsson Business Innovation has already invested in many companies including the Ethernet Access initiative, Alleato AB, (JV with Skandia and Huddinge University) and Terraplay Systems AB. Ericsson Business Innovation continues the Ericsson tradition of re-inventing itself by constantly bringing new innovations to market.

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About IT Provider

IT Provider Adviser 1 AB is a leading Swedish venture capital advisory firm advising three different investment funds focusing on technology investments. IT Provider-related funds have made investments in over 70 technology companies over the past ten years, and has made more than 25 exits through IPOs and trade sale.

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About Terraplay Systems

Terraplay Systems has developed the world's first carrier-grade telecommunications platform for online gaming and other demanding real-time IP based applications. Originally invented to provide the best and most enjoyable online gaming experience, Terraplay has developed state-of-the-art network optimisation technologies. Now, the Terraplay System enables network- and device-independent deployment of real-time games for fixed and mobile network operators, and easy integration with existing billing- and provisioning systems. For applications- and games developers, Terraplay currently provides tools for Windows, Pocket PC, PlayStation®2, Symbian OS and Java. The company's 40 employees are based in Stockholm, Sweden. Terraplay Systems was founded in February 2000 as a joint venture between Ericsson Business Innovation and the venture capital firm IT Provider, and is also owned by Accenture Technology Ventures and Viventures.

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