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PRESS RELEASE

Effnet Launches Solution to Increase Speed and Efficiency in 3G Mobile Systems

Effnet offers market's first comprehensive solution for wireless IP header compression

Effnet Group announces the release of its new product suite for improving the efficiency of wireless IP networks, such as 2.5 G and 3G mobile systems. The new product suite is called *EffnetEdge Header Compression Suite for Mobile Networks*. The products, which will begin shipping in this quarter, help manufacturers and operators to squeeze up to 300% more interactive content through the mobile phone infrastructure.

As the worldwide telephone industry moves toward deployment of high data-rate 2.5G and 3G mobile networks, the demands on the infrastructure will be tremendous. By using a technology called header compression, the IP packet header overhead in the communication can be reduced to a minimum, which leaves more capacity for the actual content. This is vital to enable glitch-free transport, especially for multimedia content such as interactive audio and video, and games.

The EffnetEdge Header Compression Suite for Mobile Networks includes the world's first commercial implementation of the Robust Header Compression (ROHC) protocol specified by the Internet Engineering Task Force (IETF). Robust Header Compression is a vital component of the ETSI (European Telecommunications Standards Institute) and 3GPP (Third Generation Partnership Project) endorsed UMTS standards.

Recent industry initiatives aimed at accelerating the adoption of 3G, such as the open mobile services architecture announced this week, will also accelerate the demand for IP header compression in mobile networks. By enabling 3G mobile terminals and services to fully interoperate, these initiatives will allow full-scale interactive multimedia services to be sold into mass markets.

"Effnet has played a leading role in the development of header compression standards, and now we have delivered the first commercial header compression software for handsets and networks to the 2.5G and 3G market. The Effnet ROHC integrated test environment has proven itself by validating interoperability with major telecom manufacturers," says Örjan Grinndal, Effnet CEO. "We can now provide every mobile telephony player with a unique product that enables them to design IP header compression into existing and future UMTS-compliant products. This reaffirms our commitment to give customers a competitive edge -- the EffnetEdge."

Product Suite Includes Multiple Protocols and Validation Environment
The EffnetEdge Header Compression Suite for Mobile Networks provides mobile telephony operators, handset OEMs, infrastructure equipment manufacturers, and component vendors their first opportunity to purchase and evaluate header compression technology that satisfies the UMTS standards for 2.5G and 3G mobile handsets. The product suite includes all the IP header compression protocols specified by UMTS Releases 3, 4 and 5. The included products, Effnet ROHC (Robust Header Compression) and Effnet IPHC (Internet Protocol Header Compression), implement the official IETF standards RFC 3095 and RFC 2507, respectively. The ROHC standard in particular, is designed to perform under the demanding requirements of wireless communication links, which are subject to high latency, long round-trip times and lossy transmissions. Header compression can reduce total IPv6 packet size by as much as 75%, increasing bandwidth and interactive response while reducing latency and packet loss.

In addition to a complete software reference implementation of all relevant header compression protocols, the EffnetEdge Header Compression Suite for Mobile Networks provides a comprehensive validation environment that facilitates testing and verification of the header compression software within the customer's target architecture. The validation functions allow designers to exercise their header compression implementation with numerous test cases, which represent statistically common channel conditions.

Header Compression Expands Bandwidth Capacity
Designed to be embedded into wireless base stations and handsets, EffnetEdge Header Compression Suite for Mobile Networks significantly improves IP packet transmission over links with low speeds and long delays in high noise environments. Header compression increases effective data throughput, allowing carriers to transmit as much as 300% more IP traffic by reducing the bandwidth requirement for IP packet headers. Valuable link capacity is then freed for other uses, allowing wireless network operators to expand and differentiate their services, without requiring an additional investment in network infrastructure to increase the available bandwidth.

About Effnet
Effnet innovates and licenses award-winning key technologies that resolve data speed, efficiency and security challenges in Internet Protocol (IP) networking and IT security. Effnet focuses on software development in Robust Header Compression (ROHC), a technology viewed as becoming essential for providers of IP-based wireless networks. Effnet's wholly-owned subsidiary, Wkit Security, develops copy protection software. The Effnet group employs approx. 60 persons. Effnet Group AB shares are traded on Sweden's Nya Marknaden (symbol: EFFN). Read more about Effnet at www.effnet.com. Read about Wkit at www.wkit.com.

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