Microsoft and Anoto Announce Strategic Alliance
To Offer Pen-Based Communications Using the Microsoft .NET Platform
Alliance Opens the Door for Developers to Create a New Class of Pen-Based Web Services

LUND, Sweden, and REDMOND, Wash. — Feb. 7, 2002 — Microsoft Corp. and Anoto AB today announced a strategic alliance to deliver an enhanced communications experience for users as a result of Anoto's adoption and incorporation of the Microsoft® .NET Platform into its pen-based technologies. Anoto, a subsidiary of C Technologies AB, provides an electronic pen-and-paper platform upon which developers can build solutions to transmit written text, graphics and background forms to PCs, as well as to devices such as cellular phones, pagers and PDAs.

Anoto will utilize the Microsoft .NET Platform, including the Microsoft Visual Studio® .NET suite of developer tools and the .NET Framework, to transform Anoto's digital pen-and-paper technology into a rich XML Web service. Building on the .NET Platform will enable Anoto to expand its marketplace, by making it easier for any Visual Studio .NET developer to plug Anoto digital pen-and-paper technologies into larger applications they are building.

Anoto will design its digital pen-and-paper computing platform for the Windows® XP operating system. This will lead to a new range of enterprise and consumer applications, such as simple note taking, package delivery recordkeeping and completion of medical forms, that utilize pen and paper naturally. Microsoft also will support Anoto's digital pens through the Universal Plug and Play standard used by Windows XP.

"Anoto's pen-based technology is a perfect example of a next-generation XML Web service fulfilling the demands of increasingly mobile and technically savvy consumers," said Eric Rudder, senior vice president for Developer and Platform Evangelism at Microsoft. "By integrating the .NET Platform and .NET Framework into its products, Anoto creates a simple means for developers to create exciting new applications that extend the value of Web-based communication services to consumers and knowledge workers any time, any place and on any device."

Initially, a version of the enterprise standardized services will be developed for Windows XP, based on Visual Studio .NET and the .NET Framework. This will allow transmission of digital ink from Anoto's pen-and-paper solutions directly to a PC, where a user can manipulate, enhance and translate a text image using familiar applications such as Microsoft Office.

"The .NET Platform and .NET Framework allow us to expand our marketplace in digital pen-and-paper-based communication by opening our technology to Visual Studio .NET developers around the world," said Christer Fåhraeus, CEO and founder of Anoto. "Microsoft has driven the revolution in computing over the past 20 years, and together we are now determined to advance the capabilities of computing even further."

Developers can use Anoto's Application Development Kit (ADK) to create applications and services that leverage solutions for both the consumer and the enterprise market. These applications and services are mechanisms for routing written content and background forms to any number of end points. Anoto will build the next version of the ADK using the soon-to-be-released Visual Studio .NET development tool.

In addition, Microsoft will offer Anoto's ADK through targeted developer channels such as MSDN®. Microsoft and Anoto will collaborate on a wide variety of opportunities to demonstrate the power of Anoto's platform functionality on the Microsoft .NET Platform.

About Anoto

Anoto AB was founded in Lund, Sweden, in late 1999 as a fully owned subsidiary of

C Technologies AB. The company currently has about 200 employees working in offices in

Lund, Stockholm, Boston, Tokyo and Hong Kong. It can be found on the Web at

http://www.anoto.com/.

C Technologies AB was founded in 1996 and is a well-established Swedish

high-technology company. C Technologies holds cutting-edge expertise in the fields of digital

camera technology and image processing. The C Technologies Group, which comprises the

subsidiaries Anoto AB and WeSpot AB, currently has about 300 employees and offices located

in Lund, Stockholm, Atlanta, Boston, Tokyo and Hong Kong. Major shareholders include

company founder Christer Fåhraeus, Capital Group and Ericsson. C Technologies' share is

listed on the O-list of the OM Stockholm Exchange (Attract 40). It can be found on the Web at

http://www.ctechnologies.se/.

About Microsoft

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software,

services and Internet technologies for personal and business computing. The company

offers a wide range of products and services designed to empower people through

great software — any time, any place and on any device.

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