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PRESS RELEASE

Effnet signs contract with Japan's NEC

Effnet has concluded an agreement with NEC Corporation, one of the world's leading suppliers of telecom equipment to licence Effnet's Robust Header Compression (ROHC) technology. NEC intends to incorporate ROHC in the next generation Radio Network Controller, RNC.

ROHC is used to increase the efficiency of transmitting IP traffic over mobile networks. Effnet's software complies with standards of the international standards organisation IETF, which will apply to the next generation releases of UMTS standards. This is true of both the infrastructure side and terminals.

'NEC's choice of Effnet strengthens us in our view that our products are right at the leading edge of technical development. Because of the state of the economy during the last year, particularly in the telecom sector, many suppliers have postponed their plans for the next releases of equipment. We are now seeing more and more of them deciding to implement next generation systems and therefore the interest for ROHC has increased', says Örjan Grinndal, Effnet's CEO.

Effnet, which was early to see the need for Header Compression and has been a leading force in the standardisation process, has since last winter had a complete suite of products for Header Compression.

About NEC Corporation

NEC Corporation (NASDAQ: NIPNY) (FTSE: 6701q.1) is one of the world's leading providers of Internet, broadband network and enterprise business solutions dedicated to meeting the specialized needs of its diverse and global base of customers. Ranked as one of the world's top patent-producing companies, NEC delivers tailored solutions in the key fields of computer, networking and electron devices, through its three market-focused, in-house companies: NEC Solutions, NEC Networks and NEC Electron Devices. NEC Corporation employs more than 140,000 people worldwide and had net sales of approximately \$39 billion in the fiscal year ended March 2002. For additional information, please visit the NEC home page at: www.nec.com.

About Effnet

Effnet develops and sells embedded software that increases the efficiency, speed and security of IP traffic on fixed and mobile networks to manufacturers of network products. Effnet techniques enable optimal performance for IP packet processing. The company was founded by leading researchers in the Header Compression field and has operations in Stockholm, Sweden and Tucson, Arizona. Effnet Group AB is quoted on the New Market in Sweden (symbol: EFFN). More information can be found at www.effnet.com.

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