



Stockholm, 14 August, 2002

PRESS RELEASE

Extraordinary General Meeting of Shareholders of Effnet Group AB

The board of directors of Effnet Group AB has resolved to convene an extraordinary general meeting of shareholders of the Company to be held at 4 pm on Thursday, August 29, 2002 at the Company's offices in Bromma, Sweden. The agenda of the Meeting shall include the board of directors' proposal to reduce the Company's share premium reserve by SEK 175 million. The proposal is conditioned by approval being obtained in accordance with the stipulations of the Swedish Companies Act.

"A decision to reduce the share premium reserve will create flexibility and freedom of action within the Company's capital structure, which the board of directors deems to be of great value to the shareholders", comments Göran E. Larsson, deputy chairman of the board of Effnet Group AB, and who assumes the position of chief executive officer on August 15, 2002.

The complete notice to attend the Meeting with details concerning record date, notification procedures, addresses, etc. is attached to this press release. The notice shall also be published in Dagens Nyheter and Post och Inrikes Tidningar on Thursday, August 15, 2002.

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.

For further information please contact:

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EFFNET GROUP AB (publ)

The shareholders of Effnet Group AB (publ) are hereby convened to attend an extraordinary general meeting to be held at 4 pm on Thursday, August 29, 2002 at the Company's offices located at Gustavslundsvägen 151 G, Bromma, Sweden.

Right to Attend the Meeting

Shareholders who wish to attend the Meeting must:

- be listed in the register of shareholders maintained by VPC AB (the Swedish Securities Register Center) no later than Monday, August 19, 2002; and
- notify the Company of their intention to attend the Meeting by 4 pm on Friday, August 23, 2002 at the latest.

Shareholders whose shares are registered with a trustee must in good time prior to Monday, August 19, 2002 ensure that the trustee temporarily registers the shares with VPC in the shareholder's name in order to have the right to attend the Meeting.

Notification of Intention to Attend the Extraordinary Meeting of Shareholders

Notification of intention to attend the Meeting shall be made in writing to Effnet Group AB, Box 15040, 167 15 Bromma, Sweden or by telephone to +46 (0)8-564 605 50, or by fax to +46 (0)8-564 605 60 or by email to: marika.philipson@effnet.com. When notifying the Company, shareholders are to state their name, personal ID number or corporate registration number, address and telephone number. Shareholders who wish to be represented by proxy are to prepare a written power of attorney, which should be submitted to the Company at the above address in good time prior to the date of the Meeting.

Proposed Agenda

1. Opening of the Meeting and election of chairman.
2. Establishment and approval of a voting list.
3. Approval of the agenda.
4. Election of one or two persons to verify the minutes of the Meeting.
5. Determination as to whether the Meeting has been duly convened.
6. The board of directors' resolution to reduce the share premium reserve, and for the amount of the reduction to be allocated to a non-restricted reserve, to in turn be used in accordance with resolutions adopted by shareholders' meeting.
7. Closing of the Meeting.

Proposed Resolution under Item 6 – Reduction of Share Premium Reserve

The board of directors proposes to the extraordinary general meeting of shareholders to resolve the reduction of the Company's share premium reserve by SEK 175 000 000 to SEK 6 332 000, and for such amount to be allocated to a non-restricted reserve to in turn be used in accordance with resolutions adopted by shareholders' meeting. The execution of this proposal is conditioned by approval being granted by a meeting of shareholders, and it is proposed that this extraordinary shareholders' meeting give such approval. The motive of the board of directors' proposal to reduce the

share premium reserve is to create flexibility and freedom of action for the shareholders within the Company's capital structure.

The complete proposal of the board of directors will be available at the Company's offices as of August 22, 2002. It shall also be sent to shareholders who so request and who provide their postal address.

Stockholm, August 2002
Effnet Group AB (publ)
The Board of Directors.