

ERICSSON INVESTS US\$13 MILLION IN INTERNET SOFTWARE DEVELOPER, OZ.COM

:: Minority Equity Position Follows Ongoing Technology Collaboration in Internet Communication Solutions

San Francisco, June 8 - OZ.COM(TM), a pioneering developer of scalable, real-time communications products and solutions, today announced that global telecommunications leader Ericsson, has invested US\$13 million in the company. This minority equity investment continues to underscore the companies' mutual commitment to bring to market innovative communications solutions that link together the world of traditional telecommunications and the new Internet global services market.

In May this year, both companies announced iPulse(TM) - the first product of their joint development effort, which began in early 1998. iPulse (<http://www.oz.com/ipulse/>) is a Communication Portal that provides seamless links between the traditional communications modes and those that will drive communications in the 21st century, such as wireless and IP-based methods. Using iPulse, users are able to interchangeably use their PC, mobile phone, pager, PDA or regular phones to communicate with other users or interact with value added services, such as conferencing or e-commerce services.

"This major development in our partnership sets a promising stage for both companies to jointly create the software and infrastructure solutions that enable a truly integrated network, linking telco operators and Internet services into one single market," said Skuli Mogensen, CEO of OZ.COM. "OZ intends to use the investment to build up a portfolio of global services which, in cooperation with telco operators, will enable connection points for Internet portals and commerce sites that then integrate easily with fixed line and wireless networks," added Mogensen.

Several major trends are driving OZ's vision for communication solutions that build communities and "put people above networks(TM)." First, consumers are increasingly demanding easy, broad-based communications services to reach groups of frequently contacted work colleagues, family and friends. Second, both consumers and professionals continue to drive demand for mobile and convenient access to powerful communications services. Finally, traditional communications and the Internet are converging, driving down barriers between previously disparate networks. In fact, by 2004, total Internet connections could number one billion, and many of them will be accessed by mobile users. By developing global services that transform websites into communities, while also leveraging existing Internet content to new communication devices, OZ meets the evolving needs of online users and opens new market possibilities for global and local operators.

"The investment in OZ is a strategic move, which confirms Ericsson's commitment to be a leading provider in the New Telecoms world. The Internet is one of the keys to this world. Ericsson can leverage its position as a leading provider of both core networks and wireless infrastructure. Together with OZ, we have the opportunity to give telecom operators access to new and exciting Internet services," says Staffan Lindholm, General Manager of IP Services at Ericsson's business unit Datacom Networks and IP Services.

In exchange for its investment, Ericsson receives an undisclosed minority equity position in OZ and a seat on the OZ board. Privately held, OZ has raised over US\$13 million in private placement prior to the Ericsson investment. OZ will be using the investment to accelerate its business in all areas, especially for building up the iPulse user base through aggressive partnerships with leading Internet portals and commerce sites.

:: About OZ.COM

OZ.COM is a pioneer in the advancement and development of scalable, interactive real-time communications products and solutions. The company's mission is to put people above networks and develop technology that integrates the Internet, traditional wireline and wireless communications networks. With corporate headquarters in San Francisco, its main development center in Reykjavik, Iceland, and European office in Stockholm, Sweden, OZ.COM has over 90 employees and can be found on the World Wide Web at <http://www.oz.com/>.

:: About Ericsson

Ericsson is the leading provider in the new telecoms world, with communications solutions that combine telecom and datacom technologies with freedom of mobility for the user. With more than 100,000 employees in 140 countries, Ericsson simplifies communications for its customers - network operators, service providers, enterprises and consumers - the world over.

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