



Press release

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Picofun raises USD 7 million to support international expansion

SOFTBANK and Carphone Warehouse back successful mobile entertainment startup

Swedish Picofun, leading developer of games and entertainment applications for the mobile Internet, today announced that the company has raised USD 7 million from two international investors, SOFTBANK Europe Ventures and Carphone Warehouse, thru its Wireless Internet Services division. The company will use this second round of financing to aggressively expand their international presence, with special focus on the European markets, and to strengthen research and development efforts.

- We are very happy to bring Softbank and Carphone Warehouse on board as we couldn't have found two more suitable investors, says Johan Lenander, CEO Picofun. Apart from the initial financial investments, both companies will most certainly add great value to our future operations –SOFTBANK with its expertise in building global companies, and Carphone Warehouse for its industrial leadership position.

SOFTBANK is one of the world's leading Internet investors with renowned capabilities to support companies in mastering international growth. Their current holdings include 300 Internet companies including category leaders like E*TRADE, and Yahoo!.

- Picofun is definitely one of Europe's hottest and most viable startups, says Eric Hippeau, President & Executive Managing Director SOFTBANK International Ventures. We have great trust in their ability to capitalize on the huge potential within the mobile Internet entertainment area and we feel very confident that they have what it takes to become a global player.

Carphone Warehouse entered the Venture Capital scene fairly recently. The company is traditionally known as the only pan-European retailer of mobile phones. Carphone Warehouse will be a very helpful partner to Picofun through its excellent connections with Europe's mobile operators and mobile phone manufacturers as well as by being a direct link to the consumers.

- Through our investment in Picofun we gain access to yet another part of the fast growing market for mobile phones and solutions, says Andrew Wessels, Investment Manager, Wireless Internet Services. We share Picofun's belief that entertainment will be one of the key drivers for the future development of the mobile Internet, and we are in a great position to help Picofun get direct access to the European consumers via our retailer business.

Both investors will be represented in Picofun's board, Carphone Warehouse through its COO David Ross and Softbank through Lee Feldman, VP Strategy & Investments. Picofun's board today consists of Sven-Christer Nilsson, Chairman and former CEO of Ericsson, Bertil Villard, Head of Corporate Finance at Alfred Berg, the leading Nordic investment bank, and Johan Lenander, CEO Picofun.

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PICOFUN

Picofun (www.picofun.com) or (wap.picofun.com) develops and markets leading edge mobile Internet entertainment under its own brand, and distributes it via network operators, virtual operators and independent mobile portals to the end user's cellular phone. Picofun launched the world's first multi-user WAP game in May 2000, and was also first to make it available for both GSM and GPRS. Picofun was also E-challenge 2000 finalist, a pan-European competition to select the hottest Internet & wireless companies in Europe, hosted by E-chron. The company is based in Stockholm has another office in the Ideon Research Park in Lund. Picofun is co-operating with market leaders in wireless communication such as Ericsson and Motorola. Picofun is owned by its employees, Startupfactory (www.startupfactory.com), and now also Softbank Europe Ventures and Carphone Warehouse.

SOFTBANK

SOFTBANK Corporation is one of the world's Internet leaders. Through its ownership positions in more than 300 Internet companies and its unique, global approach to building Internet enterprises, it is able to realize unprecedented synergies among its group of companies. In the U.S., SOFTBANK is the largest shareholder in leading Internet companies including Yahoo!, E*TRADE, and ZDNet. In Japan, SOFTBANK's activities encompass online financial services, e-commerce, online media and marketing services, e-business solutions, and joint ventures with industry leaders including Microsoft, Cisco, Yahoo!, and the National Association of Security Dealers (NASD). SOFTBANK has established Internet joint ventures with Vivendi in Europe and with News Corp. in the U.K., India, Australia, and New Zealand. SOFTBANK is building Internet ventures in Greater China, Latin America, and Korea; and has joined with the World Bank to help bridge the digital divide in emerging markets worldwide. SOFTBANK Europe Ventures is a USD 550 million fund targeting local entrepreneurial Internet ventures in continental Europe.

CARPHONE WAREHOUSE

Carphone Warehouse is the only pan-European retailer of mobile telephony products and services. It is the leading independent retailer of mobile phones and accessories in the UK, Ireland, France, Spain and Sweden, and is one of the leading such retailers in Belgium and the Netherlands, in each case in terms of market share. It intends to develop a strong presence in the German market following its recent agreement to acquire up to 97 retail locations. Carphone Warehouse's business was established in 1989 and has grown rapidly during the 1990's under the leadership of Charles Dunstone, the CEO and Chairman, and David Ross, the Chief Operating Officer. From the outset, Carphone Warehouse aligned itself with the consumer offering simple, impartial advice in a retail market where most distributors or service providers were tied to one or a limited number of mobile network operators.

Carphone Warehouse's Wireless Internet Services division includes the Group's strategic investments in wireless technology and internet-related businesses. The Group intends to focus its investments on wireless technology and internet-related businesses which can provide content or technological advances in the wireless internet sector, with the intention of further enhancing the services offered by the Group.