

Aether Systems and Reuters Launch Sila Communications to Provide Leading Wireless Data Services in Europe

May 5, 2000

London - Sila Communications, created by Aether Systems and Reuters to provide leading wireless data services in Europe and Asia, was launched today. Sila will host, design and manage services for customers through enterprise wireless data centres throughout Europe. The company will provide, independent of any network or mobile device, wireless access to corporate information, Reuters content, Internet information and applications, email and secure transaction capabilities.

Initially, Sila's focus will be in the financial services markets, offering wireless trading systems on any device over any network. Sila will deliver secure, high-speed, managed services to this market, and plans to expand into other sectors rapidly. The company's strategy is to build its business both organically and through acquisition of complementary companies.

The new venture is backed by Aether Systems, Inc (Nasdaq: AETH) and Reuters Group PLC (LSE: RTR). The two companies announced a letter of intent on 8 February 2000. Aether Systems will have a 60% interest in Sila and Reuters the remaining 40%. Aether Systems is providing US\$15 million cash and its recent US\$85 million acquisition of IFX Group Plc, Europe's largest provider of mobile financial data. Reuters is contributing US\$22 million cash and its wireless applications asset, Futures Pager, a UK-based company that provides paging and real-time delivery of financial market data.

Through IFX and Futures Pager, Sila already has a significant infrastructure in place, with offices in the UK, France, Germany, Spain, Norway, Sweden, Finland, Denmark, Netherlands, Portugal and Singapore. Headquartered in London, the company plans to develop leading-edge technologies to optimise the delivery of data over the next generation of digital networks being rolled out across Europe.

The 'Value Added Service Platform' (VAS) application, developed by IFX, operates over European GSM wireless networks, as well as next-generation high-speed networks including GPRS and UMTS. The VAS platform compresses, distributes and presents data in a way that allows wireless operators quickly and easily to offer a wide range of value-added data services to handheld devices including WAP phones, pagers and PDAs.

Aether Systems' Chairman and CEO, **David Oros**, is Chairman of Sila; **Bo Kroll**, former President of IFX, has been appointed President. **Jonathan Baile**, former managing director of Reuters wireless businesses worldwide, is executive vice president.

Peter Job, Reuters chief executive, said: "We welcome the formation of Sila as an extension of the close relationship we have with Aether, our partner in this venture. This event is a clear illustration of the strategic initiatives we announced in February this year to accelerate Reuters use of the Internet and in particular to offer the ability to combine all the essential elements of an e-commerce package in the growing wireless market place."

David Oros said: "The powerful combination of Aether Systems and Reuters brand, content and market penetration together with IFX, the largest provider of mobile financial data in Europe, positions Sila as one of the leading wireless data companies in Europe. The market for wireless services in Europe is more mature than in North America and we will attack it aggressively. Sila aims to become the leading wireless application services provider in Europe with plans to expand to Asia in the near future."

Bo Kroll commented: "Europe is currently in a transitional phase as wireless internet services are being introduced through WAP phones that are expected to gain significant momentum over the next few years. The growing popularity of WAP features along with the GPRS rollout will result in high growth rates for wireless data services. Sila is well positioned to take advantage of these market conditions."

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Note to editors:

As a result of unified standards, ubiquitous coverage and more attractive pricing plans, adoption of wireless devices is much more prevalent in Europe than in North America, with a lead of 18-24 months, according to research analysts. According to a March 2000 Forrester Research report, 144 million GSM phones were in use in Europe at the end of 1999, 30% of which were issued by businesses.

Lehman Brothers analysts expect wireless penetration in Western Europe to grow to 72% of the population in 2003, with Sweden, Norway and Finland reaching 80-90%. Most of these users currently rely on their wireless devices for voice communications, but the arrival of next generation mobile data technologies is expected to change the dynamics of the marketplace.

GPRS is being rolled out across Europe now and will vastly accelerate data transmission speeds from current levels by as much as five to ten-fold. GPRS will offer instant access to data networks and an 'always on' connection between the mobile device and the network. Forrester predicts that GPRS will be 'mainstream' by summer 2002 and that one in three Europeans will regularly use the mobile Internet by 2004.

As GPRS is being rolled out, WAP phones, which allow for internet access and transactions and operate over the existing GSM network, are growing in popularity.

Reuters supplies the global financial markets and news media with the widest range of information and news products. It provides news and information to over 900 internet websites reaching an estimated 40 million viewers and generating approximately 140 million page views per month. Reuters provides global solutions and technologies for the financial markets including enterprise-wide integration, market information and data distribution, equity and foreign exchange transactions as well as risk and trade management. It also supplies technologies and portal capabilities for clients to supply their retail customers. Reuterspace concentrates on services in the business-to-business, consumer finance and media markets. Reuters is the world's largest international news and television agency with 2,100 journalists, photographers and camera operators in 184 bureaux serving 154 countries. News is gathered and edited in 23 languages. Instinet, an independently managed subsidiary of Reuters, is the world's largest electronic agency brokerage firm. It covers the equities and fixed income markets. On 31 December 1999, the Group employed 16,546 staff in 212 cities in 97 countries.

Aether Systems, Inc., is a leading provider of wireless and mobile data services allowing real-time communications and transactions across a full range of devices and networks. Using its engineering expertise, the Aether Intelligent Messaging (AIM) software platform, the ScoutWare family of products (resulting from the acquisition of Riverbed Technologies, Inc.) and its network operations and customer service center, Aether Systems seeks to provide comprehensive, technology-independent wireless and mobile computing solutions. Aether develops and delivers wireless data services across a variety of industries and market segments in the United States and internationally. Aether is a joint principal owner, along with 3Com Corp., of OmniSky, Inc., a wireless Internet service provider based in Palo Alto, Calif. Aether headquarters are located at 11460 Cronridge Dr., Owings Mills, MD 21117. For more information, www.aethersystems.com.

With regard to Reuters, this news release may be deemed to include forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Act of 1934. Certain important factors that could cause actual results to differ materially from those discussed in such forward-looking statements are described in Reuters 1999 Annual Report to Shareholders under the heading "Operating and Financial Review -- Cautionary Statements". Copies of the Annual Report are available on request from Reuters Group PLC, 85 Fleet Street, London, EC4P 4AJ.

With regard to Aether, These risks and other risk factors are described in Aether's Form S1/A prospectus under the caption, "Risk Factors" filed pursuant to Rule 424(b) with the Securities and Exchange Commission. Aether undertakes no obligation to update the forward looking statements contained in this press release.

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