



NEWS ANNOUNCEMENT

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MAGNOLIA BROADBAND PARTNERS WITH JAZZ SEMICONDUCTOR FOR DIVERSITYPLUS™ CHIPSET

Jazz RF and Mixed-Signal Process Technology Leveraged for New Radio Chip Architecture that Provides Performance Breakthroughs in Cell Phone Battery Life, Coverage, Network Capacity and Data Throughput

CLINTON, N.J. and NEWPORT BEACH, Calif., Mar. 29, 2004 – Magnolia Broadband, Inc., a fabless semiconductor company and innovator of radio frequency (RF) solutions for the cellular industry, today announced that it has selected Jazz Semiconductor as its foundry for the DiversityPlus™ chipset, the company's flagship product. DiversityPlus is a technology platform designed to exploit antenna diversity architectures in mobile terminals. The new architecture extends cellular phone battery life and improves coverage, capacity and data rates of existing cellular networks.

Magnolia utilized Jazz Semiconductor's specialty silicon germanium (SiGe) BiCMOS manufacturing process technology to design DiversityPlus.

"Jazz was selected as our foundry partner because of its leadership position in this industry and its expertise in RF and mixed signal process technology," said William Reinisch, Magnolia Broadband senior vice president, operations and engineering. "We were confident that Jazz could meet our aggressive schedule, cost and performance requirements while providing us with a comprehensive design platform and exceptional customer service."

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Through DiversityPlus, Magnolia is the first to improve both transmission and reception capabilities in mobile terminals using dual antenna inputs and outputs to create more robust signals through its diversity algorithm processing. Cell phones powered by DiversityPlus will have longer battery life and enable carriers to improve coverage and data throughput, as well as serve twice as many subscribers with the same infrastructure.

“As the cellular industry continues to grow at a steady pace, wireless carriers continue to face ongoing challenges with coverage and network capacity,” added Reinisch. “DiversityPlus provides these operators with the necessary performance improvements that will enable them to expand their infrastructure and enhance the user experience at a fraction of the cost of other solutions.”

“Jazz is pleased to partner with Magnolia to enable design and manufacture of innovative RF solutions that provide measurable advancements in the mobile handset,” said Paul Kempf, Jazz Semiconductor chief marketing and technology officer. “We look forward to an ongoing partnership with Magnolia as they continue to deliver unique wireless solutions to other markets.

DiversityPlus is initially targeted to wireless service providers using CDMA technology, however, Magnolia is planning to expand to other markets including WCDMA, Wi-Fi, Wi-Max and EDGE. Magnolia is currently shipping engineering samples, with full production slated for the second half of 2004.

About Magnolia Broadband

Magnolia is an innovative developer of semiconductors for the wireless industry and the first company to provide diversity antenna technology using unique RF chipset products that incorporate both transmit and receive diversity. By using a unique RF (Radio Frequency) chipset product and algorithm, it incorporates a novel way of combining RF signals from two antennae for both transmit and receive signals in the mobile terminal, enabling carriers to serve twice as many subscribers within the same wireless infrastructure while boosting phone coverage, data rates and battery performance. Carriers and consumers also benefit from more reliable connections, improved quality of service while having small impact on cost.

Leading CDMA carriers and mobile terminal manufacturers have tested Magnolia's technology. Since its inception in 2001, Magnolia has raised \$17 million in capital from notable investors like Draper Fisher Jurvetson Gotham, ECentury Capital Partners, SCP Private Equity Partners, Selway Partners and Silverstar Holdings. Magnolia has filed numerous patents related to its core technology and partnered with semiconductor industry notables such as Jazz Semiconductor, and Amkor Technology. For more information, go to www.magnoliabroadband.com.

DiversityPlus™ is the trademark of Magnolia Broadband Inc.

About Jazz Semiconductor

Jazz Semiconductor is an independent wafer foundry focused primarily on specialty process technologies for the manufacture of analog and mixed-signal semiconductor devices. Jazz is a leader in specialty process technologies, particularly in silicon germanium bipolar CMOS, or SiGe BiCMOS. Jazz currently provides cost-effective manufacturing capacity to its customers from its wafer fabrication facility, located in Newport Beach, California. In addition, Jazz has manufacturing partnerships with Advanced Semiconductor Manufacturing Corporation and Hua Hong NEC Electronics Co., Ltd. Jazz Semiconductor's principal executive offices are located at 4321 Jamboree Road, Newport Beach, California 92660. The Jazz Semiconductor web site is located at www.jazzsemi.com.

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