



CELLULAR3G AND MAGNOLIA BROADBAND SUCCESSFULLY FIELD TEST AN INDUSTRY FIRST MOBILE TRANSMIT DIVERSITY W-CDMA BASEBAND

Field Test Again Demonstrates Improved Uplink Performance for 3G Networks

BEDMINISTER, N.J. and LEXINGTON, M.A. (February 12, 2007) - Magnolia Broadband, an innovator and world leader in antenna diversity radio frequency solutions for wireless devices, today announced the successful completion of technology integration and trials with Cellular3G Inc., a fabless wireless design house specializing in low power high speed Universal Mobile Telecommunications System (UMTS) baseband integrated circuits.

The integration of Cellular3G's UMTS baseband and Magnolia Broadband's Mobile Transmit DiversityPlus™ solution was field tested and demonstrated significant benefits in uplink network capability for UMTS systems. The test results are consistent with past Magnolia Broadband commercial network field trials on live CDMA networks and demonstrate again that the Magnolia Broadband system for Mobile Transmit diversity can achieve very significant benefits for UMTS users and operators.

Previous commercial network tests of DiversityPlus™ technology, completed on both Asia and North American CDMA networks, have shown up to 45% improvement in the wireless network's voice capacity. Additional tests have shown a 4.2 dB improvement on the uplink providing significant link margin benefit to for wireless operators.

"We are pleased to work with Cellular 3G to enhance their UMTS baseband solution by significantly improving their uplink performance using our DiversityPlus™ technology," said Haim Harel, President of Magnolia Broadband. "Working with Cellular3G has proven that the same benefits of enhanced uplink performance realized in CDMA are transferable to the growing market of 3G W-CDMA."

The deployment of Magnolia's DiversityPlus™ chips in dual antenna cell phones enable wireless carriers to substantially increase subscribers within the same wireless infrastructure, eliminating the need for additional cell towers, while boosting capacity, coverage, mobile data throughput and battery life. Additional benefits for carriers and consumers will include more reliable connections, fewer "dead zones," improved quality of service and a substantial lowering in the amount of energy the phone emits.

The CTO of Cellular3G, Alex Lax stated "The ease with which we adapted our system to operate with Magnolia Broadband's DiversityPlus™ technology, showed once again that our system is a powerful and flexible baseband product".

About Cellular3G

Cellular3G Inc. has developed UMTS baseband solutions which provide the users with low power consumption by utilizing optimum hardware and software techniques. Cellular3G's technology enables mobile units to maximize battery life while enabling very high speed data. Sold to customers as a chip or as a licensed IP package, Cellular3G has found a world-wide market. Cellular3G was founded in 1999 with investment from Carphone Warehouse.

For further information go to www.cellular3G.com or contact:

Cellular3G contact information:

M.Kenan
CEO
Cellular3G Inc.
405 Waltham St.
Lexington, MA
USA 02421-7934 PMB402
+1-781-863-1229 or +972-9-885-9456
mkenan@cellular3G.com

About Magnolia Broadband

Magnolia is an innovative developer of semiconductors for the wireless industry and the first company to provide mobile transmit diversity antenna technology, DiversityPlus™ using a unique RF (Radio Frequency) chipset. With DiversityPlus™ technology, wireless carriers are able to increase up to twice as many subscribers within the same wireless infrastructure while boosting phone coverage, data rates and battery performance without any changes to their infrastructure or related wireless air interface standards.

DiversityPlus™ technology benefits all wireless protocols and is currently being commercialized for CDMA2000, UMTS/WCDMA and WiMAX standards. Magnolia's notable investors include Draper Fisher Jurvetson Gotham, ECentury Capital Partners, Intel Capital, SCP Private Equity Partners, Selway Partners, Grosvenor Funds and Silverstar Holdings. Magnolia has filed numerous patents related to its core technology. For more information, go to www.magnoliabroadband.com.

DiversityPlus™ is a trademark of Magnolia Broadband, Inc.

Magnolia contact information:

Larry Wasylin
Vice President Sales & Marketing
Magnolia Broadband, Inc.
550 Hills Drive
Bedminster, NJ 07921
Tel +1(908) 234-0885
lwasylin@magnoliabroadband.com

Joseph Dans
Director of Accounts
Fusion Public Relations
570 Seventh Avenue
NY, NY 10018
(212) 651-4215
joseph.dans@fusionpr.com