



MAGNOLIA BROADBAND SELECTED AS ONE OF TOP 200 CONTENDERS FOR THE RED HERRING 100 NORTH AMERICA AWARDS

BEDMINSTER, N.J. (May 10, 2006) — Red Herring announced that Magnolia Broadband has been selected as one of the top 200 contenders for its annual "Red Herring 100 North America" awards. Over 1,000 privately held technology companies submitted to this year's edition of the prestigious award, giving evidence to the invigorated innovative and entrepreneurial strength of the technology ecosystem.

"We can see the resurgence of the tech sector reflected in the quantity and variety of excellent companies that we had to choose from in putting our list together," said Joel Dreyfuss, Editor-in-Chief of Red Herring. "It was difficult to select the 200 finalists and we are very happy with the stellar quality of the companies on this short-list."

The commercial deployment of Magnolia's DiversityPlus™ chips in mobile phones will enable wireless carriers to significantly serve more subscribers within the same wireless infrastructure, increasing data throughput and coverage, while eliminating the need for additional cell towers. Additional benefits for carriers and consumers will be improved quality of service, include more reliable connections, fewer "dead zones", improved quality of service, a substantial lowering in the amount of energy mobile phones emit and improvement in data rate throughput from the handset.

"This is great recognition of Magnolia's technology from one of the world's leading technology magazines," said Osmo Hautanen, CEO of Magnolia Broadband. "This is further validation that our DiversityPlus technology will redefine wireless infrastructure for all carriers in the US and around the world that are seeking to substantially improve its network capacity while eliminating dead zones."

The "Red Herring 100 North America" award is an important part of Red Herring's tradition of recognizing new and innovative technology firms and their entrepreneurial founders. Magnolia Broadband and the other nominees were rigidly evaluated on both quantitative and qualitative criteria such as financial performance, technology innovation, quality of management, execution of strategy, and integration into their ecosystem. This unique assessment of potential complemented by a review of the actual track record and standing of a company allows Red Herring to see past the "buzz" and make the list an invaluable instrument for discovering and advocating the greatest business opportunities in the industry.

About Red Herring

Red Herring is a sophisticated insider's guide to the business of technology, featuring unparalleled insights on the emerging technologies driving the economy, from the Internet to wireless communications and digital entertainment. Red Herring reports on how innovation and entrepreneurship are transforming business and how the business of technology is transforming the world, providing readers with a deep understanding of venture capital and capital markets. Recognized as an essential resource in today's fast-changing business world, Red Herring gets the right answers before anyone else even thinks to ask the questions. More information on Red Herring is available on the Internet at www.redherring.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 significantly increase 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. Since its inception in 2001, Magnolia has raised more than \$40 million in capital from notable investors, which include Draper Fisher Jurvetson Gotham, ECentury Capital Partners, Intel Capital, SCP Private Equity Partners, Selway Partners 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

Melissa Dolan
Fusion Public Relations
570 Seventh Avenue
New York, NY 10018
(212) 651-4215
melissa.dolan@fusionpr.com

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