



## **MAGNOLIA BROADBAND RECEIVES \$14 MILLION IN SERIES D FUNDING**

*New Investment to Help Fund Commercialization  
Of DiversityPlus™ Technology in the US and Korea*

**BEDMINSTER, N.J. (January 24, 2006)** – Magnolia Broadband, Inc., a fabless semiconductor company and a leader in antenna diversity solutions for the wireless industry, today announced that it has closed its Series D financing of \$14 million. The round, which represented an increase in valuation, included new investors Quantum Technology Partners and WS Investments, as well as existing investors.

Magnolia will leverage its new funding to speed the commercialization of its DiversityPlus™ Technology in both the United States and Korean marketplaces. Magnolia's current round of financing brings the total equity investment in the company to more than \$40 million.

The deployment of Magnolia's DiversityPlus chips in dual antenna cell phones will 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.

"We are very pleased to have this backing from our investors, as it will enable us to fully commercialize our DiversityPlus technology in the United States and Korean marketplaces," said Osmo Hautanen, CEO of Magnolia Broadband. "The new funding will carry the company into 2007 towards profitability, enabling us to not only continue innovating on our antenna diversity technology, but also to deploy it shortly in cell phones on a worldwide basis."

"This key round of funding continues to demonstrate the investors' ongoing commitment to Magnolia's antenna diversity technology," said Yaron Eitan, Chairman of Magnolia Broadband and Partner of SCP Private Equity Partners. "We are confident that the inroads the company has made abroad and in the U.S. will soon lead to its worldwide deployment and success in the marketplace."

**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. 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](http://www.magnoliabroadband.com).

DiversityPlus™ is a trademark of Magnolia Broadband, Inc.

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