

## **Magnolia Broadband Announces Successful Completion of Prototype Handset Developed for SK Telecom**

### **First Prototype Handset with Magnolia's Mobile Transmit Diversity Technology Being Tested in Commercial CDMA2000 Network**

**BEDMINSTER, N.J., March 14, 2005** – Magnolia Broadband, Inc., a fabless semiconductor company and innovator of radio frequency (RF) solutions for the cellular industry, announced today that they have successfully completed the first phase of a prototype program for SK Telecom to integrate Magnolia's novel DiversityPlus™ product in a cdma2000 1xEVDO handset platform. The prototype is being field tested in commercial networks to validate performance previously obtained in prior field tests.

The deployment of Magnolia's DiversityPlus chips in dual antenna cell phones will enable wireless carriers to serve twice as many subscribers within the same wireless infrastructure, eliminating the need for additional cell towers, while boosting coverage, 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.

"This is a significant event for us as we work towards commercial launch of our DiversityPlus™ product this year with SK Telecom," said Osmo Hautanen, CEO of Magnolia. "We have proven to the wireless community the commercial viability of our technology from the work bench into working handsets for a world class carrier."

With the conclusion of extensive and successful testing conducted in challenging environments like Korea and the U.S. by middle of this year, the first commercial cdma2000 handsets with Magnolia's DiversityPlus product are expected to be available in Q4 of this year.

"I extend my gratitude to our exceptional staff whose hard work and dedication dating back to our inception in 2001, has enabled us to reach this key milestone," said Haim Harel, founder and President of Magnolia. "We look forward to the challenges ahead and offering our technology to other protocols as UMTS, Wi-Max and Wi-Fi."

DiversityPlus™ is a family of RF chipset products designed around Magnolia's unique algorithms for mobile terminals. By combining transmit RF signals from two antennae in a unique way in the handset, the wireless operators can increase their network capacity, as well as significantly improve coverage and data rates to the individual subscriber.

### **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

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rates and battery performance. Carriers and consumers also benefit from more reliable connections and 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 more than \$30 million in capital from notable investors like 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 and partnered with semiconductor industry notables such as Jazz Semiconductor, and Amkor 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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