FINAL PREDEPLOYMENT MAGNOLIA BROADBAND TEST IN U.S. BOOSTS CDMA NETWORK VOICE CAPACITY ON AVERAGE 42%

Test Using Mobile Transmit Diversity Technology Again Yields Key Dividends for Carriers before Commercialization at Year End

BEDMINSTER, N.J. (April 3, 2006) – Magnolia Broadband, Inc., a fabless semiconductor company and innovator of antenna diversity radio frequency (RF) solutions for the wireless industry, announced today that they have conducted the final field testing of DiversityPlus™, Magnolia’s Mobile Transmit Diversity solution, with a major U.S.-based CDMA carrier. This is the final field evaluation before Magnolia’s DiversityPlus handset-based chipset solution will be commercialized in phones starting in Q4 of this year.

The testing completed March 27th and 28th demonstrates that Magnolia’s diversity technology is able to boost the CDMA wireless network’s voice capacity on average 42%. This testing result is consistent with previous pre-commercialization tests conducted in Korea by SK Telecom in July 2005, where data capacity gains of 45% were achieved. Magnolia Broadband simulations show that similar gains can be achieved in Wideband CDMA (WCDMA) networks as well. These tests demonstrate that by deploying Magnolia’s technology, carriers will realize major savings in capital and operating expenses.

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 through put from the handset.

“We are pleased to have conducted the final testing of our DiversityPlus™ technology with a major US wireless carrier and we look forward to commercial deployment in the US marketplace at the end of the year,” said Osmo Hautanen, CEO of Magnolia Broadband. “Carriers deploying our technology will be able to continue providing a high level of service while substantially reducing capital and operating costs.”

DiversityPlus™ is a family of RF chipset products designed around Magnolia’s unique algorithms for CDMA, UMTS and WiMAX mobile terminals. By combining transmit RF signals from two antennas in a unique way, the wireless operators increase their...
network capacity and 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 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](http://www.magnoliabroadband.com).

DiversityPlus™ is a trademark of Magnolia Broadband, Inc.

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