

Fast Facts

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FOUNDED: 1999

FINANCING: \$150 million in three rounds from Bay Partners, Doll Capital Management, GIC Special Investments, J.F. Shea Venture Capital, Northwood Ventures, Gabriel Venture Partners and Oak Hill Capital.

MANAGEMENT: CEO Chris Gilbert; William Jones, Executive VP and Co-Founder; Roger Quayle, CTO and Co-Founder; Jon Beizer, CFO; Theo Wegbrans, Senior VP Worldwide Sales & Marketing; Thierry Maupile, VP Business Development.

IPWireless is one of a handful of companies building the next generation of wireless broadband services and equipment. Sometimes referred to as 4G, IPWireless actually uses 3G standards to build networks that provide the portability of Wi-Fi but over a much larger area and with much fewer base stations. Plus, it allows the same, uninterrupted service of 3G wireless but with enough capacity for downloading data at the speeds of DSL.

IPWireless develops the network-enabling hardware for the service, which uses internationally recognized UMTS TD-CDMA (TDD) wireless standards.

Founded in 1999 and based in San Bruno, CA, with product development and engineering offices in the United Kingdom, IPWireless has developed technology that creates a non-line-of-sight wireless network allowing customers to connect through a small modem that can fit in the palm of a hand. This network is different from the LAN or the Wi-Fi network used in many offices – it is a wide-area network, and works for many miles, not 500 feet like an office connection.

The triple-threat of IPWireless is the combination of ease of operation – basically you turn it on and it works; affordability, at the price of consumer DSL, and usability, by extending the area of service. The IPWireless solution provides users with two-way data rates of up to 9 Mbps downstream and 3 Mbps upstream to allow next-generation wireless data services.

The modem is priced competitively and sold through carriers.

'Leap Technology'

CEO Chris Gilbert says the user doesn't need to know anything about connections or configuration. "When I travel, it should make no difference. This network will cover great swathes of cities and land."

The service can be used, for example, in automobiles while driving. And it is designed to end and re-commence seamlessly, even during airplane travel. Service is stopped when the device is shut off when boarding a plane. After arriving in another city, the user turns on the device, and is connected where the user left off. Its applications include everyday simple uses, such as reading an online newspaper in bed on a tablet PC.

"It's a 'leap technology' that will touch the lives of everyone, everywhere," says Jack Scanlon, a member of the IPWireless board of directors and the former CEO of Asia Global Crossing.

Licensed Radio Bands

A specific advantage for IPWireless is the way the company uses radio. Existing wireless broadband services use unlicensed bands, so they can only offer service for less than 500 feet. IPWireless uses licensed radio bands, and therefore does not interfere with other signals, and can be carried much further.

Another advantage is its use of approved spectrums for 3G technology, unlike its competitors in the space such as Navini Networks, Flarion and ArrayComm. All of those companies use technology that runs on 4G spectrums and therefore must win over not only the wireless carriers but often government agencies as well. Still, none of the companies have yet won a coveted nationwide contract from a major carrier, and it's too early to tell which company's technology will win adoption, and where. It may be that, because of the technology and standards differences, that some will gain traction within the U.S. market while others will be successful in Europe and Asia.

IPWireless-backed services are currently available within the United States in Maui, Hawaii; Missoula, Montana, and Jacksonville, Florida. IPWireless is in technical trials with 10 of the top 20 global wireless operators.

In February 2003, IPWireless teamed up with Alcatel, which will initiate reseller and OEM operations. Other OEM relationships have been forged with Nortel, which along with Alcatel could provide IPWireless with the distribution network, systems integration backing and entrance needed to launch major networks worldwide.

Financing

In December 2002, IPWireless raised a Series C round for \$27 million from existing investors. The company was first funded in 1999. The company has received \$150 million in total funding from Bay Partners, Doll Capital Management, GIC Special Investments, J.F. Shea Venture Capital, Northwood Ventures, Gabriel Venture Partners and Oak Hill Capital.

IPWireless was originally a wireless service provider, but changed operational goals a year ago to focus on equipment.

Gilbert joined IPWireless in March 2002. He previously spent 12 years at Motorola, most recently as vice president and general manager.

Global Expansion and Partnership Plans

From a sales perspective, in what countries is the company currently doing business?

IPWireless has nationwide rollouts under way in New Zealand and Germany, and is initiating commercial deployments on five continents.

Does it have operations outside the U.S.?

Half of IPWireless' operations are based in London, where in addition to sales and distribution the company has a large product development and engineering office which this year saw a 20 percent increase in staff. In preparation for further international expansion, IPWireless has enlisted Bangalore, India-based Saska Communication Technologies to help develop and mass-produce IPWireless software. Saska works with the IPWireless UK-based engineering team.

In what regions does the company see its sharpest growth?

"We see the bulk of our sales right now coming from Asia," says Jon Hambidge, Senior Marketing Director, adding that he expects a "major deployment in the region." We expect to do most of our hiring in Southeast Asia."

So far, the company has a "high-level technical person" in Singapore and is interviewing candidates for management, sales and technical positions throughout the region. The company has distribution partnerships in Japan, Hong Kong and China.

Who are your major global partners?

IPWireless outsources all of its manufacturing, mostly to Soletron, an OEM assembly and supply chain management services provider based in Milpitas, CA. Soletron has plants throughout the

world, including newly opened facilities in China. Some outsourced manufacturing is also done through Flextronics, a Singapore based electronics manufacturer.

In April 2003, IPWireless initiated a distribution partnership with Thales Broadcast & Multimedia. Thales will integrate and distribute the IPWireless product line, including network infrastructure, the palm-sized wireless desktop modems, and PC cards for laptops and PDA's.

Thales received its first commercial deployment contract from a Southeast Asian operator, and is scheduled to commence operations in June 2003. Thales has also established a technical support center for support of IPWireless products for operators in the Southeast Asia region. Thales' worldwide presence includes extensive operations in France, Germany, Switzerland and the United States.

"We would also see working with OEMs and consumer electronics companies," Hambidge says.

Who are your distribution partners?

"So far we have four announced distribution partners: Thales, Axcera, Alcatel, and Nortel, and have many more that we can not yet disclose," says Hambidge

Who on the management team is responsible for overseas partnerships and distributions?

Thierry Maupile, VP of Business Development.