



Mobile Communication  
Everyday Everywhere

Mobile over  
WLAN



Converging Mobile,  
VoIP and WLANs



**Ken Kolderup**  
Vice President, Marketing  
July 20<sup>th</sup> 2004

# Kineto Wireless Overview

## Headquarters: San Jose, CA

- Founded in 2001

## Innovator/Leader in Fixed-Mobile Convergence

- Mobile over WLAN (MoWLAN) / Unlicensed Mobile Access (UMA)

## Premier investors: \$59M

- Oak, 3i, Sutter Hill, Venrock, Mitsui

## Experienced management team

- Nortel, Motorola, Nokia, Ericsson

## Significant partnerships in place

- Major handset and infrastructure partners engaged

## Operator trials in U.S. and Europe

- Major mobile and fixed operators

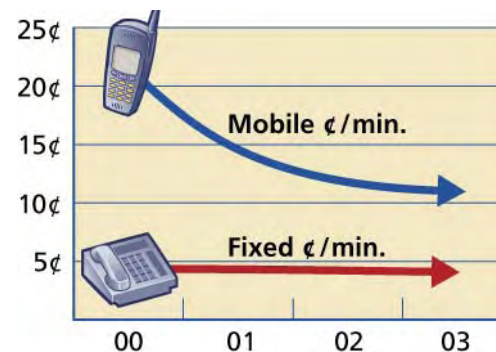
# Significant Market Trend

## Subscribers Want Mobile as the Main Phone

With an expanding service set ...



...and lower service pricing...



...subscribers are looking to use the mobile as the main/only phone

One-third of consumers would be cancel local service if wireless operators improved basic service quality and lowered monthly costs

June 04: Wirthlin Worldwide

Half of mobile subscribers would use their mobile as the main phone if service cost and quality were more comparable to landline.

May 03: PriMetrica, Ernst & Young

# Operator Opportunity/Challenge



## Mobile Operators

- With high penetration rates, looking for next growth
- Fixed substitution is largest opportunity, but cost and quality concerns inhibit progress



## Fixed & Mobile Operators

- Core fixed business in decline
- Mobile and broadband businesses lack differentiation
- Looking to integrate services to capture more wallet share



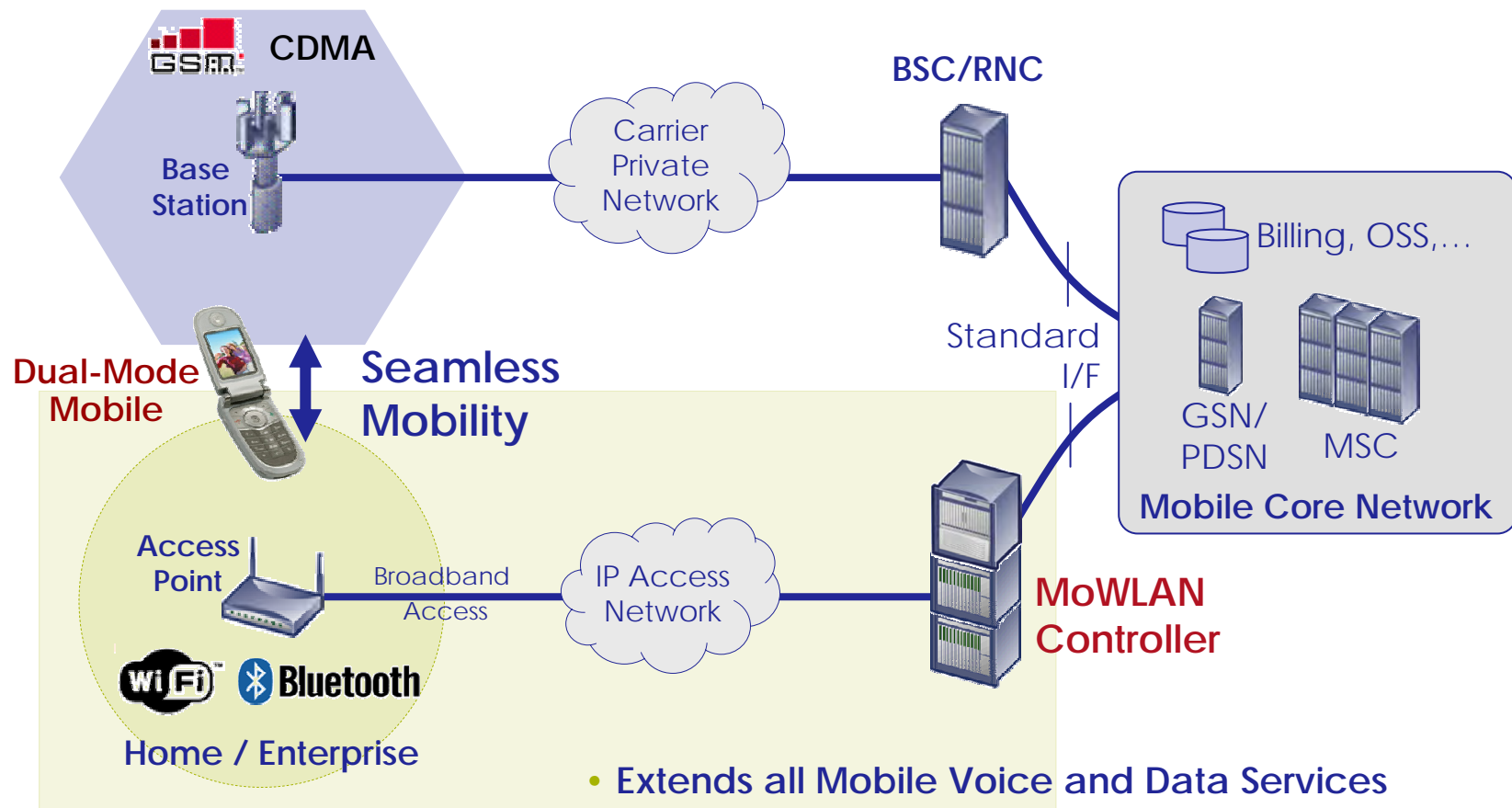
## Fixed Only Operators

- Core fixed business in decline
- Looking to become MVNO, but would like to control costs by keeping in-building traffic on fixed network



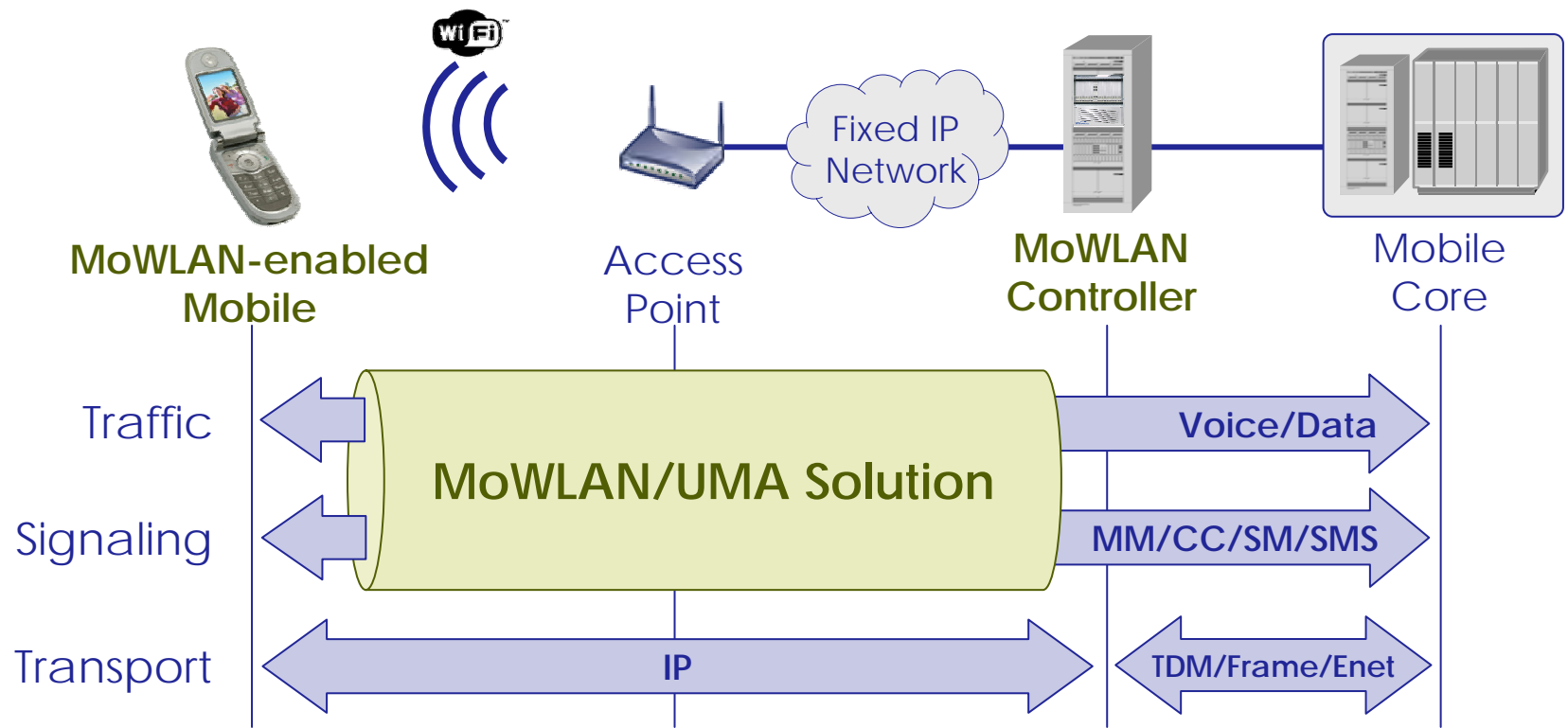
# Mobile over Wireless LAN (MoWLAN)

(a.k.a. Unlicensed Mobile Access)



- Extends all Mobile Voice and Data Services
- Supports Handover Between Networks
- Supports Home, Enterprise and Public WLANs
- Leverages existing Core (Switching, OSS and Billing,...)

# MoWLAN/UMA Solution



Transparently extends all mobile circuit and packet services over IP and manages mobility between networks

# Service Advantages

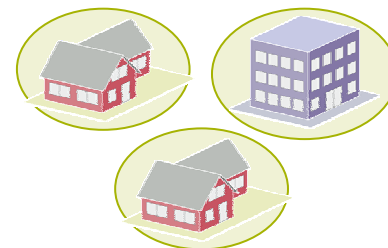


High-performance  
indoor mobile voice at  
lower cost of delivery

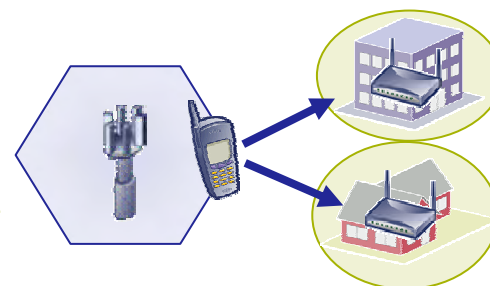


Mobile data at broadband  
speeds with no load on  
macro network

**MoWLAN/  
UMA**



High-resolution  
"home/office zone"  
billing



High-performance indoor  
coverage/capacity that compliments  
and offloads macro network

# Subscriber Value Proposition

## An enriched mobile experience at lower cost



- Existing mobility services
- Existing mobility tariffs
- High-performance coverage
- High-speed data services
- Reduced tariffs



# Sample Service Offer

## Individual/Enterprise

In addition to standard mobile calling plan...



### WLAN Service Plan

- ❑ **\$9.99** 500 WLAN anytime minutes including free long distance
- ❑ **\$14.99** 1,000 WLAN anytime minutes including free long distance
- ❑ **\$24.99** **Unlimited** WLAN anytime minutes including free long distance

# Operator Benefits

## Mobile Operators

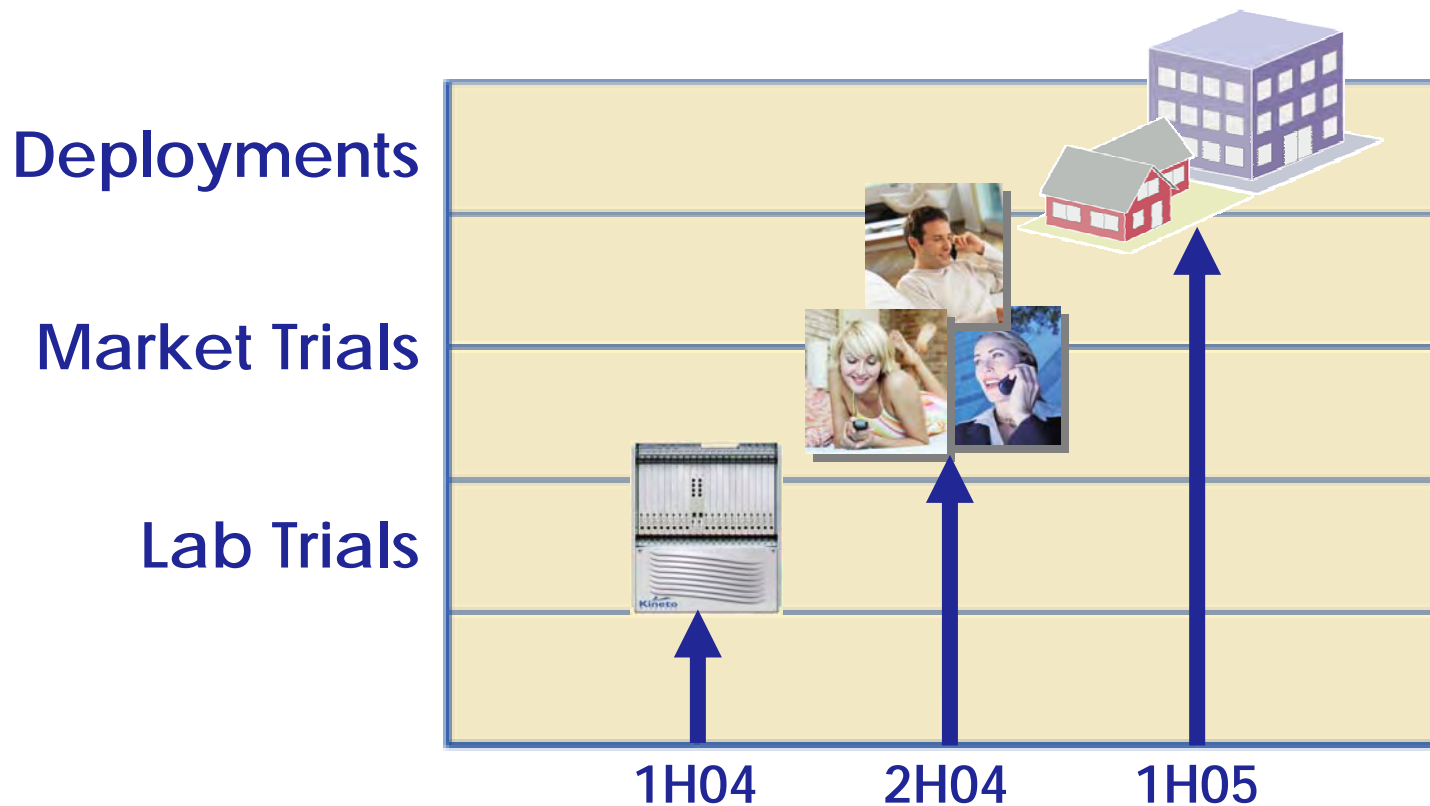
- **Increase ARPU**
  - Profitable capture of indoor minutes of use
  - Drive adoption and use of mobile data services
- **Lower Churn**
  - Enhanced indoor mobile experience
- **Lower CapEx/OpEx**
  - Offloads macro network

## Fixed/Mobile Operators

- **Increase Wallet Share**
  - Integrated Fixed, Mobile, Broadband service
- **Lower Churn**
  - Service Bundling



# Timeline for MoWLAN/UMA



# MoWLAN/UMA Summary

- **Seamless delivery of mobile services over WLANs**
  - Supports all voice and data services
  - Supports handover of active calls/sessions between networks
  - Leverages existing/future core network investment
- **Strong demand and value proposition**
  - Subscriber: Use mobile as main phone (get more/pay less)
  - Operator: Maximize revenue/profit with subscriber shift to mobile
- **Significant market momentum**
  - In trials with major European and U.S. service providers
  - Standardization in process
  - Commercial service deployments expected in 1H05