

NEXIT MOBILE INSIGHTS



The Mobile Communications (mobile) industry is in a very positive state – not only is the industry growing, but it is doing so very rapidly. In 2004, the global mobile operator business generated over \$500 billion in revenues and the market grew an impressive 20%, creating \$100 billion of new business that year. The traffic growth in 2004 alone was bigger than the total traffic in 2000 in mobile networks. At the same time, the underlying hardware/system business, meaning networks and handsets, generated over \$150 billion in revenues with 19% annual growth. Add to this the adjacent businesses enabling mobility, such as WiFi, WVOIP etc., and it only gets better.

Mobile vs. IT – what is the difference?

The mobile industry and the more mature Information Technology (IT) industry are intertwined and related – in fact, indispensable to each other. Let's explore some similarities and differences and point out some interesting facts about the mobile Communications business.

The IT industry has been defined and dominated by the US, even if Asia has made tremendous inroads both as a consuming and a producing market, whereas Europe has always primarily been a consumer of IT. In contrast, mobile phones are manufactured in or originate from some unusual locations: 37% from the Nordics, 19% from Korea and only 17% from the US.

Another major difference lies in the fact that the mobile industry is driven by consumer marketing, with the youth market being a major catalyst, while the IT industry is driven by corporate ROIs, with CFOs and CIOs being the main influencers.

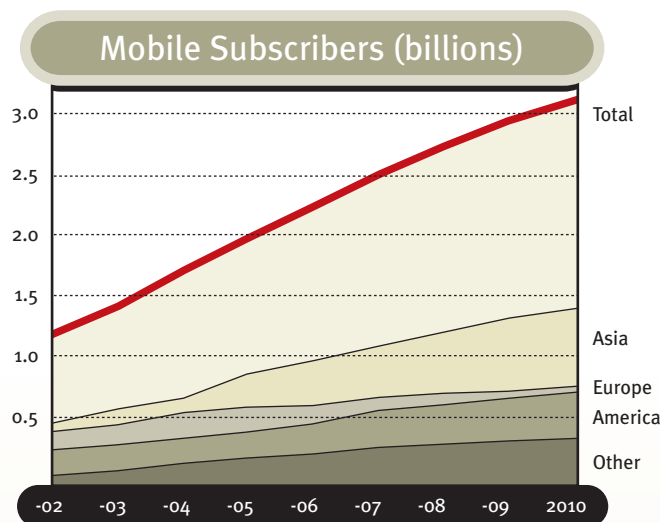
The IT oriented devices are more or less the same all over the world whereas the variation between different mobile handset markets is substantial: Japanese and Korean consumers seek high-end 3G multimedia handsets, while simple low-cost devices rule the market in China and India.

A global industry with strong local flavors

The IT industry has always been a “glocal” industry, where larger players have to operate globally and at the same time run very local sales and support functions. This is also true for the mobile industry, where even the smallest of companies have to be

global and local as well as highly networked.

Take an example out of Nexit's portfolio: Ecrio is a small Silicon Valley based company that has most of its development work done in India, some in Sweden and Russia, and the company generates most of its sales in Japan. ▶▶



Source: Merrill Lynch, Apr 2005

How does the Mobile Communications industry

Another example from the “extended mobile industry” is Skype, It is well known since the multi-billion-dollar exit a few weeks back; two Scandinavian entrepreneurs develop their technology in Estonia, incorporate in Luxemburg, get funded from the US and EU and eventually get bought by eBay in Silicon Valley. All in a couple of years!

The mobile operators have very different positions in their respective markets. NTT DoCoMo in Japan is one extreme, having ultimate control over the end user's experience and making nearly all decisions on what services and devices are available to consumers.

The other extreme is exemplified by the Nordic countries, where mobile operators are increasingly relegated to just providing bandwidth, while devices and services are selected by the user. The US market is slowly moving towards less operator control.

Nordics and Asia in the lead

The IT industry has been driven by the US, both in technology innovations and early adopter customers. The mobile business is vastly different, with the US market enjoying a much less dominant position, and the lead markets to be found in the Nordic countries, Japan and Korea.

The one area in which the US has a deeper involvement in the mobile communications business is in corporate development, including investments and exits. Numerous US-based investors and VCs are participating in mobile ventures overseas, and many exits have a strong Silicon Valley connection. In addition, the US market is at the forefront of bridging its traditionally strong enterprise IT solutions into the mobile world, and the currently strongest push is in content, driven by computer gaming, Hollywood and the major Internet portals and search engines.

How does this all relate to Nexit?

As an industry-focused, early-stage VC, we have to be active in the lead markets, at the cusp of innovation, and we need to be very involved in the industry to best help our portfolio companies and be broadly educated to best evaluate business opportunities. That is why we have opened up direct activities in Sweden (Ericsson), have brought onboard new team members with deep industry knowledge, and are building strong relationships in Japan and Korea (DoCoMo, NEC, Samsung, LG...). We are also extending our networks in the United States, the hub of the world's financial transactions. This is how we see ourselves riding the next wave. ■

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Nexit Team

As a global, but tightly technology and market focused venture capital firm, Nexit has its finger on the pulse of innovation in mobile and wireless. Investments are made primarily in Nordic and US based early stage companies, with products and services for a global market.

Using its relevant operational experience, the Nexit team supports the growth and development of the portfolio companies with a pragmatic, hands-on approach. With knowledge and contacts across the wireless ecosystem, the Nexit team opens up and creates opportunities for its portfolio companies.

Nexit's transatlantic bridge is a significant value-add, linking together the technology hotbeds in Nordic and Silicon Valley. For Nordic companies, Nexit's network of business contacts in Silicon Valley provides a bridge to markets, partners, experienced management and investors at an early stage. US-based ventures get an opportunity to profit from Nordic's market-leading wireless network infrastructure, technology, insight, and advanced user base. Nexit has offices in Helsinki, Stockholm and Silicon Valley. For further information, please visit www.nexitventures.com.

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The RTLS

Market Matures

Real Time Location Systems (RTLS) are used to locate mobile objects and people with wireless RF tags that can be attached to assets and carried by personnel. RTLS is a relative of RFID technology with some important improvements. Over the past five years, the RTLS market has matured both in its standards-based technology and in customer demand.

Janie Shutton, a charge nurse at Palmetto Health, a large 650-bed hospital in Columbia, OH, has just admitted a new patient to her floor. Janie looks over the patient's record and sees that the patient needs to start an antibiotic drip. She contacts pharmacy to expedite the order and then begins looking for an IV pump to administer the medication. As usual, she cannot find an available pump in the supply room.

Frustrated, she calls down to central supply and is informed by Bart, clinical attendant, that she already has seven IV pumps on her floor. "Just go and find one," Bart says. "I don't know where to find one and the patient needs the IV pump now!" Janie retorts.

Bart explains: "Remember, we just bought the Ekahau RTLS Tracking system. Just use your Pocket PC and click on the Ekahau icon. It will find one for you right away."

Janie responds, "Oh, sorry, Bart, let me log on." She pulls the wireless Wi-Fi Pocket PC from her pocket, taps the



Ekahau icon on the screen, and writes "IV pump" at the prompt. Within seconds, the screen shows two IV pumps located in a closet just two rooms down the hall.

Janie walks to the closet and retrieves the pump. By the time she gets to the patient's room, pharmacy has arrived with the antibiotic drip. Janie completes the IV procedure and proceeds with the final preparations for admitting the patient.

This is Ekahau RTLS, a clear solution to a real-life problem.

RFID vs. RTLS

So what is the big difference? The major difference is that RFID does not directly bring value to the enterprise process. It is simply a bar code on steroids, an ID technology that requires a heavy infrastructure, stationary readers and mobile scanners, and tailored applications to really bring in the benefits.

An RTLS tag, on the other hand, not only holds the ID, but also knows its location and time at any given moment. Ekahau RTLS does this over existing, non-proprietary WiFi networks.

As enterprises are desperately trying to improve their processes and reduce costs,

RTLS comes to the rescue. Where are our enterprise-critical assets and people right now, and where were they yesterday? What is the utilization level of these assets; do we need more or less of them? What are the workflow patterns and bottlenecks?

Fast growth in an exciting market

With RTLS, by knowing the continuous location of assets, can we save time and cost, while increasing security and safety? In the healthcare, manufacturing, supply chain and military/government sectors, executives are increasingly answering, "Yes, RTLS provides us with a real return on investment."

Over the past 12 months, the RTLS market has clearly come out of its infancy. The market dynamics are healthy with several competitors and a deliverable return on investment. RTLS solutions are finally delivering the value that has been anticipated during the past five years: providing enterprises with cost savings and process improvement through real-time visibility of critical enterprise assets and resources.

*Antti Korhonen
President & CEO
Ekahau, Inc.*



Nexit Partner Spotlight: **Patrice Peyret**

The Road to ROI

Patrice Peyret joined Nexit as Venture Partner in June 2005. With over two decades of experience in the global info-com industry, Mr. Peyret further strengthens Nexit's capability as an international investor in the wireless space.

Mr. Peyret is co-founder and former CEO of US-based Mobile365 Inc, the global leader in text and multimedia mobile messaging services. In May 2005, Mobile365 was nominated by Fortune magazine as one of "25 Breakout Companies for 2005", recognized for their revolutionary advancements in the marketplace and their dynamic business performance. Mobile365 was created in 2004 through the merger of Mobileway and InphoMatch. In addition to his new role at Nexit, Mr. Peyret continues as Vice President, Corporate Strategy for Mobile 365.

Prior to founding Mobileway, Mr. Peyret served as head of engineering at Sun Microsystems for Java technologies applied to portable products such as mobile phones. As head of R&D and business development at Gemplus, the world's largest smart card vendor, Mr. Peyret initiated the European Union funded ESPRIT project that led to the design of the world's first RISC-based chip for smart cards.

Which industry developments or emerging technologies currently excite you the most?

Patrice Peyret: I am particularly intrigued by those technologies that will allow mobile people to be reached by other means than the straightforward extensions of today's cellular phone networks. WiMax or 802.16 has a huge potential in this respect. Once ubiquitously embedded in everyone's PCs, cars, set-top boxes and other devices, and

combined with Voice Over IP, WiMax has the possibility to radically change the way people receive multimedia content or communicate with each other.

I am also curious about technologies that will enable the now-retiring generation of baby boomers to maximize their use of digital devices such as cameras, phones and camcorders, without becoming IT managers. A massive amount of discre-

“Life is too short to spend it working for other people.”

tionary money is available from that generation as it starts retiring, traveling and entertaining itself, but most of the recent consumer products have been devised for the Internet generation. Therefore, new developments in usability, man-machine interfaces, self-configuring devices and single-click services have huge potential.

Finally, I am very keen on technologies applicable to developing countries and emerging markets, to overcome the lack of telecommunication, banking and transportation infrastructures there and to help those countries leapfrog into the 21st century. Wireless devices, whether fixed or mobile, have a huge role to play there.

What do you look for in the companies you invest in?

PP: Obviously, the quality of the people comes first. Dedicated, enthusiastic, honest and well-organized individuals are an absolute must.

Marketing savvy comes next. Most startups fail to reach five years of age or five million dollars of revenue because they don't market their product or technology properly and don't understand how to sell.

Innovative technology is, of course, vital, although I rank it last. It is easy to get blindsided by innovations that never sell. Arthur C. Clarke said, "Any sufficiently advanced technology is indistinguishable from magic", and we sometimes fall victim to the "magic" effect of cool technology.

I always try to distinguish between technology features that should really be part of someone else's product; products that should be part of someone else's company; and, finally, combinations of innovation and marketing that warrant the founding of a company and have the potential to create a whole new market or product category of their own.

What are the resources and skills needed to transform a technical innovation into a commercial success?

PP: The right place and right time are, of course, the two most important ingredients next to having the right technology. Fortunately, the "place" part can be overcome easily and cheaply with Internet communication tools such as instant messaging, web conferencing, groupware, collaborative software and free Internet telephony. Such tools now make it possible to create entirely "virtual" companies and to address customers anywhere.

The "time" ingredient is trickier. Being early or late can only be overcome with outstanding marketing skills. ▶▶

One must recognize that something may be early or late, and then compensate with appropriate go-to-market strategies.

I would also add the capacity to partner well. Too many companies stumble because they don't recognize the need to be part of a bigger ecosystem and are either too arrogant or too shy to secure

the required partnerships with their neighbors in the value chain.

Who has inspired you personally?

PP: I ought to single out Robb Wilmot, former CEO of ICL, the UK computer giant, and now a retired business angel, chairman and CEO of many

Silicon Valley startups. Robb's ability to understand "technical ecosystems" and to identify compelling services and business models is outstanding. Ten years ago, he convinced me to pack my suitcase and move from France to Silicon Valley. This was a life-changing event for me, and I continue to seek Robb's advice to this day. ■

Patrice Peyret's three tips for tech startups

1. Listen well

"My first piece of advice is, simply, to listen to advice. A new entrepreneur always has to do things he or she has never been trained to do, whether it is seeking financing, hiring people, setting up a board or negotiating licenses. An entrepreneur needs to learn a lot, but does not have the luxury of learning at an academic pace. Therefore, seeking advice from peers, investors, friends and colleagues is essential."

2. Choose your people

"Never forget that adding good people to your team is the single most important thing you have to do. Hire people who are better than you, and don't hesitate to hire people who are different from yourself. Have your team help you in the recruiting process. Get second opinions and do your homework of verifying references."

3. Be flexible

"Many successes come from applying a technology in an unexpected market or from unforeseen combinations of technologies. Departing from the initial course set for the company is often the best thing that can happen!"

THE NEXIT PORTFOLIO



www.bitfone.com

Bitfone provides innovative software solutions for customer care automation and mobile device management to wireless operators and handset providers. Bitfone's products improve the usability of mobile devices by diagnosing and repairing software problems and by delivering updates and configuration settings over the air. Bitfone is headquartered in California, with offices in Canada, China Korea and the UK.

Other investors: St. Paul Venture Capital, 3i US, Nokia VP, Prism Ventures, Orange Ventures, Motorola Ventures, KTB Ventures, CIR Ventures and Qualcomm.



www.conformiq.com

Conformiq Test Generator is a solution for dynamic model-based test generation and automatic test execution. The technology is based on test cases generated from high-level system models enabling automated, thorough and cost-effective testing of complex software systems. In addition to quality improvements and increased test case maintainability, this also results in direct savings in development costs. A special version has been released for Symbian environments.

Other investors: erVentures



www.ecrio.com

Headquartered in Cupertino, California, Ecrio is the leading vendor of next generation communication software for mobile phones. Ecrio provides interoperable and standards-compliant software to Mobile Phone Manufacturers and Mobile Operators. Ecrio offers solutions for Instant Messaging and Presence Services (IMPS), IP Multimedia Subsystem (IMS) and Push to Talk over Cellular (PoC). Ecrio's customers include mobile industry leaders such as Lucent, NEC, Panasonic and Siemens.

Other investors: CIR Ventures, CDB Webtech.



www.ekahau.com

Ekahau, Inc. is the industry leader in providing Wi-Fi based RTLS (Real Time Location System) solutions. Ekahau's customers, including several Fortune 500 companies worldwide, are realizing the benefits of Wi-Fi-based location services, and innovative Wi-Fi network planning and optimization tools. Ekahau partners include wireless software developers, leading system integrators and international OEM partners, who develop and market wireless enterprise applications. Ekahau is a US-based corporation, with its headquarters located in Saratoga, CA, and other offices in Reston, VA; Helsinki, Finland and Hong Kong, China. ▶▶



www.exidio.com

Exidio Oy is dedicated to combining extensive, first-hand treasury expertise with enabling technologies to provide treasury service tools. Trezone is a web-based system that opens up treasury bottlenecks and ensures automatic information flow throughout corporations. It widens the reach of treasury management to give tools to internal customers, such as controllers and subsidiaries, with substantial cost savings and improved forecasting services.

Other investors: CapMan, Metso Corporation.



www.fathammer.com

Fathammer is a pioneering leader in advanced mobile gaming, providing high-quality 3D games and development tools for mobile platforms. Fathammer provides its industry-leading X-Forge 2 Game Development System to game developers. X-Forge Powered games bring console-quality 3D gaming to a wide range of mobile devices. Fathammer Ltd has offices in Helsinki (Finland) and Seoul (Korea).

Other investors: 3i, Sitra and angel investors.



www.futuremark.com

Futuremark is known around the world for its PC and smart phone benchmark products and value-added services.

The 3Dmark benchmark is used by more than 250 computer magazines and major PC hardware manufacturers (including AMD, ATI, Intel, nVidia) and recognized as the world de-facto standard.

SPMark has become the industry's most widely used benchmark for Symbian OS based smart phones and is rapidly becoming the de facto performance measurement standard for mobile platforms.

Other investors: Conventum Oyj.



www.hantro.com

Hantro is the leading provider of hardware and software based MPEG4/H.263 and H.264 video solutions specifically tailored for handheld devices. The product portfolio also includes video applications for video capturing, playback, messaging, streaming and telephony. By combining these offerings, Hantro is uniquely positioned to provide complete solutions for silicon providers, device manufacturers and network operators.

Other investors: CapMan, Atine Group, 2M Invest.



www.hybrid.fi

Hybrid develops graphics technology solutions for consumer devices and is the leader in embedded graphics standards. The new 3D API's such as OpenGL ES and M3G are bringing advanced visual capabilities enabling even more compelling games, entertainment and other content.

Hybrid's clients include Nokia, Ericsson, Symbian, Sony Online Entertainment, Discreet, Tao, Synergenix, Texas Instruments, Criterion, Renesas, Philips, Bitboys and Esmertec.



www.mobile365.com

Mobile 365 is the global leader in the delivery, billing, and settlement of mobile messaging services delivering reliably messages, premium content, and value-added services for the leading mobile operators, content providers, brands, and media companies. Headquartered in Virginia, USA, Mobile 365 has offices in a dozen countries and more than 200 employees worldwide. Nexit Ventures invested in the first institutional round of the company.

Other investors: 3i, Draper Atlantic, Draper Fisher Jurvetson, IVP, Mayfield, Vertex, InvestCorp and strategic investments from Citigroup, Intel, and Visa International.



www.skypilot.com

SkyPilot is a broadband wireless last mile access solution for ISPs serving suburban consumers. Using a patent-pending architecture operating in the 5 GHz band, SkyPilot's mesh network approach results in a self-installing home unit, creating a self-managed and fast-penetrating network. It will enable multiple ISPs to provide cost-effective broadband services, including wireless T1 access and video on demand.

Other investors: Mobius Venture Capital, Invesco Private Capital, AOL Time Warner Ventures, Softbank Asia, Selby Venture Partners, Palo Alto Investors.



www.thetamicro.com

Theta is a fabless RF semiconductor company focusing on the next generation of cost-effective wireless systems. The products will facilitate cost-effective, high-performance Wi-Fi implementations for customers worldwide. Theta is deploying its unique design IP and specialized local knowledge of the diverse requirements of US and European markets, to provide products for emerging volume wireless applications.

Other investors: Telos Venture Partners, NBG Technology Fund, Cadence Design Systems, Commercial Capital Group.



www.zonepay.com

ZonePay is a Remote Commerce company enabling one-step ordering and paying for consumables and services from a mobile phone or Internet-connected device. ZonePay's WaitLess system eliminates the need for cash payment, minimizes human errors and removes virtually all of the barriers to a fast, efficient and enjoyable consumer experience. The initial deployment is for "build to order" fast food restaurants. ZonePay's headquarters are located in Dulles, Virginia and the company also has mobile development activities in Finland.

Other investors: Angel investors.

RECENT NEWS FROM NEXIT PORTFOLIO COMPANIES



Hybrid Graphics and TTPCom have announced a collaboration to pre-integrate Hybrid's 3D graphics and Scalable Vector Graphics Tiny (SVGT) technologies into TTPCom's AJAR mobile application platform. As a result, customers using AJAR will be able to bring cost-effective multimedia phones with 3D and 2D graphics capabilities to the market quickly and with minimal software engineering effort.

MSN Asia Adopts **Mobile 365** Operator Charging Gateway, revolutionising its Mobile Payment & Billing System. Following the immense success of MSN Hotmail SMS and MSN Messenger service over SMS with more than 380 million users, MSN Asia further cements its relationship with Mobile 365, the global leader in mobile messaging and data services, as the first company in the world to adopt its Operator Charging Gateway, a bearer-independent billing platform that provides a global billing solution for WAP transactions.

Fathammer has announced its support for QUALCOMM's BREW solution. With its planned launch of 16 advanced 3D games developed for the BREW solution, Fathammer plans to become a major player in the North American 3D mobile games market in 2005.

Futuremark Corporation has announced that Velocity Micro, Inc., a leading provider of ultra performance personal computers, is the newest member of its Benchmark Development Program for the PCMark and 3DMark product lines. Benchmark Development Program (BDP) is Futuremark's cooperative relationship with leading hardware and technology manufacturers aimed at the design of unbiased, high-quality benchmark software.

Bitfone Corporation, the pioneer and patent holder of firmware over-the-air (FOTA) update technology for mobile

phones, has announced new releases of their award-winning mProve and MVP solutions that enable wide-scale commercial adoption of FOTA for the global wireless market. In addition, Motorola, Inc. is now offering a hosted device management service for operators based on Bitfone's technology.

Futuremark Corporation has announced that Symbian is joining its benchmark development program. In addition, Symbian is licensing the source code for Futuremark's SPMark04 product and two forthcoming handheld benchmark products. "Symbian's stamp of approval is evident in its joining the program. Having the world's largest smartphone OS provider working with us testifies just how important it is to have unbiased high-quality benchmarks," said Tero Sarkkinen, VP of Sales and Marketing.

Freescale Semiconductor has integrated **Hantro's** MPEG-4 encoder System on Chip (SoC) design into the newly announced i.MX31 and i.MX31L multimedia applications processors. Integrating Hantro's encoder into silicon together with other leading-edge Freescale multimedia technology, the i.MX31 processors provide uncompromised video performance with VGA (640x480) resolution at 30 frames per second, enabling a rich and rewarding multimedia user experience.

Mobile 365 announced the launch of Desktop SMS in partnership with Red Oxygen, a developer of enterprise products and services. Compatible with all current versions of Microsoft® Outlook and IBM® Lotus Notes, Desktop SMS is a "plug-in" application enabling users to send, receive, forward, and reply to SMS directly from their familiar email environment. Desktop SMS is available immediately via Mobile 365 in Europe, Asia, and Australia, and leverages the company's global SMS delivery platform.

TCL Mobile has selected **Bitfone** as their device management supplier due to Bitfone's extensive device integration experience, end-to-end deployment experience with the leading wireless operators, and demonstrated support for industry standards. TCL Mobile will embed Bitfone's mProve client for FOTA, Bitfone's SmartCare client for device profiling and diagnostics, and Bitfone's MVA client for OMA-DM configuration and management.

Mobile 365 will host and manage a global mobile stock quote SMS alert service for CNN. Entitled Global Market Wrap, this SMS service is delivered using Mobile 365's Application Manager, which features Web-based, easy-to-use intuitive application interfaces for setting up and managing mobile services. The service is distributed using Mobile 365's global distribution footprint, which includes over 120 premium SMS connections across Western Europe, Asia, and the Americas.

Ecrio Inc., a global provider of advanced software for mobile phones, today announced that Diamond Capital Company Ltd., the venture capital arm of Mitsubishi Tokyo Financial Group Inc., has invested \$3M in its new strategic investment round. They join current investors Nexit Ventures, Cypress Ventures/ CIR Ventures and CDB Webtech.

Mobile 365 will distribute SMS votes for the new reality series, ROCK STAR: INXS, premiering on STAR WORLD. Mobile subscribers in Hong Kong, Singapore, the Philippines, and Indonesia will be able to text in their votes to designated short codes to vote for their favorite rock personality.

Bitfone Corporation has announced that Cellon International, a leading provider of end-to-end design and systems integration services for the wireless handset industry, is using Bitfone's >>

RECENT NEWS FROM NEXIT PORTFOLIO COMPANIES

full device management client suite to incorporate device management capabilities into their mobile phone designs.

Fathammer delivers five advanced 3D mobile games for KTF, South Korea's major mobile phone operator. The games will be available at KTF's game portal "GPANG". "The Korean market is very attractive - the mobile devices are optimized for advanced 3D mobile games, and the WIPI platform offers great opportunities for delivering rich, top quality game content for the phones. Consumers are used to downloading games from mobile portals and the games-sold-per-device - ratio is the highest in the world," says Mr. John Lee, President of Fathammer Ltd, Asia.

LGE selected **Bitfone** as their global provider of FOTA technology in January of 2005, and has since launched five different commercial phone models in North America and Europe using Bitfone's mProve. In addition, Ningbo Bird (BIRD), the largest mobile phone maker in China and eighth largest in the world, has selected Bitfone to provide device management technology for their mobile handsets.

Hybrid Graphics, a leading provider of 3D graphics technology for mobile phones, today announced the availability of Hybrid's Rasteroid OpenGL ES 3D graphics technology for QUALCOMM's BREW solution. Hybrid's Rasteroid brings 3D graphics functionality for use by BREW publishers and developers, enabling the creation of innovative 3D content for the enjoyment of millions of wireless subscribers.

Futuremark Corporation has announced that Tokyo-based Digital Media Professionals Inc. (DMP) is joining its hand-held benchmark development program. In addition, DMP is licensing the source code for Futuremark's SPMark04 3D graphics test and the forthcoming

OpenGL ES benchmark suite. DMP has developed an advanced 3D graphics architecture featuring the company's unique Maestro technologies, which enable workstation-class quality graphics in embedded devices.

Bitfone Corporation has received the 3G CDMA Industry Achievement Award for Innovative Solutions. Bitfone received the award for its pioneering work in developing mobile device management solutions using firmware over-the-air (FOTA) update technology, for which Bitfone holds three U.S. patents. Bitfone's CEO, Gene Wang, accepted the award from the CDMA Development Group (CDG) during an awards ceremony at the 3G CDMA Americas Congress.

Hantro, the leading provider of multimedia solutions for mobile devices has announced that they will be integrating VC-1 decode support into their video codec portfolio. VC-1, which is implemented by Microsoft as WMV9, has an exceptionally strong position within the PC desktop world, making it compelling to use for delivering content over the Internet; this content will inevitably find its way into the mobile arena. Along with H.264/AVC, VC-1 will also play a significant role in mobile TV.

Fathammer and mobile operator Teliasonera Oyj have agreed to bring globally successful Fathammer 3D mobile games to Sonera's SurfPort mobile portal. The first six games, released in September, will be available to consumers through the eDome gaming service of SurfPort. Sonera and Fathammer will also share in extensive co-marketing of the new games. Sonera is the first European mobile operator to offer advanced 3D mobile games directly to its customers' mobile phones.

Frost & Sullivan selected **Ekahau**, Inc. as the recipient of the 2005 Technology Leadership of the Year Award for its Wi-Fi based real time locating system (RTLS). "This system is one of the most sophisticated, yet adaptable and cost-effective solutions for tracking assets and people over standard Wi-Fi networks. It is an open, standards-based solution that can offer significant value for any industry segment that has adopted Wi-Fi for data and voice purposes." Each year Frost & Sullivan presents this Award to the company that has pioneered the development of an innovative technology, which has either impacted, or has the potential to affect, several market sectors.

The **Nexit** portfolio succeeded in Deloitte's Technology Fast50 competition in Finland. Our portfolio companies **Futuremark** Oy (4th place) and **Hantro** Products Oy (5th place) were among the fastest-growing technology companies when ranked by annual revenue growth over a five-year period. In addition, our investment Ekahau Oy/Inc. would have been among the best companies, but could not participate, as its parent company was recently moved to the US in order to maximize the growth and exit potential of the company. We were also delighted to notice that four companies of the top five focus on mobile technology. ■