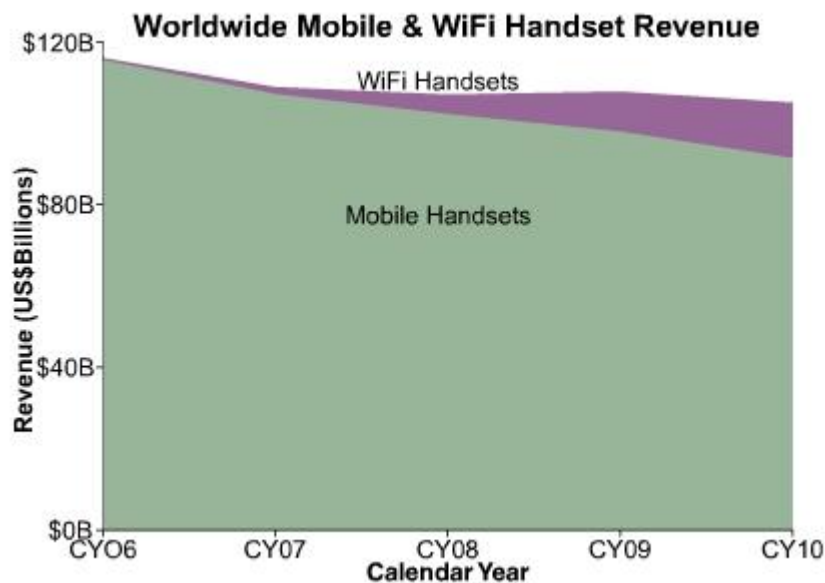


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WiFi, mobile phone sales soar in 2006; dual-mode WiFi/cellular VoIP phones ramping up

LONDON, UK, January 24, 2007—Worldwide mobile phone sales hit \$115.5 billion in 2006, and WiFi phone sales topped \$535 million, up 13% and 327% from 2005, respectively, says analyst firm Infonetics Research in its *Mobile and WiFi Phones and Subscribers* report.



As prices continue to drop, demand will continue to grow for both mobile and WiFi VoIP phones in 2007. Worldwide, shipments of mobile handsets jumped 27% between 2005 and 2006, and single- and dual-mode WiFi handsets together jumped 489%. For the 4-year period between 2007 and 2010, shipments for mobile handsets are forecast to increase 26%, and WiFi handsets are forecast to increase nearly 1300%.

The fastest growing segment in the market by far is the dual-mode WiFi/cellular VoIP phone, with worldwide units shipping at a phenomenal rate: Infonetics forecasts a 5-year compound annual growth rate of 198% between 2006 and 2010.

“Users are demanding single number/single device services, and operators like T-Mobile announced converged services based on Unlicensed Mobile Access (UMA) in 2006,” said Richard Webb, directing analyst for wireless at Infonetics Research. “UMA is a good example of early fixed-mobile convergence (FMC), prior to the eventual shift to IMS in the long-term.”

“More operators are transforming into integrated multimedia service providers, creating converged mobile, wireless LAN, and VoIP solutions that support voice and data services across enterprise, public, and home networks,” Webb added. “The appeal of such converged services is driving WiFi phone adoption—especially in dual-mode WiFi/cellular handsets.

“Single-mode WiFi-only VoIP handsets are also selling well, mostly in the enterprise space driven by pioneers like SpectraLink, but increasingly in the consumer space as well. Numerous Skype-enabled single-mode phones were launched in 2006 by the likes of D-Link, Linksys, and NETGEAR, and shipments will start to ramp up in 2007.

Mobile Handset Highlights

- 2G/2.5G GSM handsets made up 49% of worldwide mobile phone revenue in 2006; the remainder was made up by 2G CDMA, W-CDMA, and CDMA2000 handset sales
- Worldwide mobile subscribers are estimated at 2.5 billion in 2006 (up 26% from 2005), and are forecast to grow 42% to 3.6 billion in 2010
- 47% of all mobile subscribers come from Asia Pacific, 36% from EMEA, 9% from North America, and 8% from CALA

WiFi Handset Highlights

- Cisco leads in single-mode WiFi handset revenue market share in 2006, followed by SpectraLink
- Samsung leads in dual-mode WiFi/cellular handset revenue market share, followed by Nokia In 2006, 71% of WiFi phone revenue was from dual-mode handsets, 29% from single-mode WiFi VoIP handsets
- North America leads in worldwide revenue for single-mode WiFi phones, and Asia Pacific leads in revenue for dual-mode WiFi/cellular phones

Infonetics’ report tracks 2G/2.5G GSM, 2G/2.5G CDMA, 3G W-CDMA, and 3G CDMA-2000 mobile handsets, single mode WiFi VoIP phones split by enterprise vs. consumer, and dual-mode WiFi/cellular handsets split by dual-service vs. seamless. The report includes 2006 market size totals, annual revenue and unit forecasts through 2010, market share detail, and analysis of the WiFi phone market for all regions.

For **sample data** log on to www.info.infonetics.com. For sales, contact **Larry Howard, vice president**, at larry@infonetics.com or **+1 (408) 583-3335**.

Infonetics Research (www.infonetics.com) is the premier market research and consulting firm specializing in data networking and telecom. Services include quarterly market share and forecasting, end-user and service provider survey research, and service provider capex analysis.

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