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EXCLUSIVE REPORTS

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ATI targets wireless industry

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Austin's wireless community is preparing for some world-class competition.

The Austin Technology Incubator is creating <u>ATI Wireless</u>, a business accelerator for the wireless industry. ATI Wireless, in partnership with the City of Austin and organizations such as the <u>Austin Wireless Alliance</u>, will work on positioning Austin as a leader in business activity, technical innovation and community involvement in the wireless industry.

ATI Wireless will nurture and mentor emerging wireless companies, much as ATI does for a variety of companies. ATI Wireless member companies, however, will benefit from the guidance of luminaries within the wireless industry.

Erin Defossé, acting director of the incubator, has been named director of ATI Wireless.

ATI Wireless' board features some heavy hitters:

- Stephanie Keller-Bottom, director of Innovent, the investment arm of Finnish cell phone giant Nokia Corp.
- Frank Hanzlik, managing director of the Austin-based Wi-Fi Alliance.
- Ben Scott, former CEO of wireless retailer PrimeCo Personal Communications LP and a venture partner at Austin Ventures LP.
- Moris Simson, CEO of Austin-based WaveNet Inc. and a former executive at Canadian telecommunications equipment provider Nortel Networks Corp.
- Richard Schwartz, president and CEO of Austin communications software provider SoloMio Corp.
- Cheré Heinzmann, chief operating officer at Seattle wireless data company SeaMobile Inc.

"Hopefully, we will jump-start the industry here in Austin," Defossé says. "Five years from now, if one or two companies are world leaders in the industry, then I'll know we were successful."

ATI Wireless already has four companies -- Affinegy LLC, Sozotek Inc., gNumber Inc. and Monebo Technologies Inc. -- and the Wi-Fi Alliance as part of its initial "class." Defossé says ATI Wireless likely won't include more than six or seven companies at a time.

Last year, ATI began flirting with the idea of concentrating on industry sectors such as wireless, information technology and clean energy.

Then, in August, ATI announced it was expanding its services to offer more of an industry-sector focus and global orientation.

Defossé says ATI Wireless was launched to help Central Texas compete in the global wireless industry.

"There are certain areas in the tech landscape that are growing rapidly. The segment of telecommunications that's growing rapidly and not slowing down is wireless," Defossé says.

Board member Simson says the United States is quickly falling behind other markets, such as China, Europe and Japan, in the race to stay on top of the wireless industry. Simson equates the industry to the Olympics.

"If you want to participate, you have to prepare locally to play globally. If you don't prepare, you can't participate. Second, if you want to increase your chances of being a finalist, focus on wireless. That's where the action is," he says.

"Third, if you want to win, concentrate on the 'cup' -- convenience, utility and productivity."

Simson says Austin is underrepresented when it comes to wireless companies, despite the presence of businesses such as Freescale Semiconductor Inc. and Silicon Laboratories Inc., which make communications chips.

"It's good that we're represented within the chip industry, but two-thirds of the \$2 trillion global wireless industry comes from service revenues," Simson says.

According to research firm In-Stat, the worldwide wireless market will grow to more than 2.3 billion subscribers by 2009.

"One of the things you learn in the venture capital business is to foster a healthy industry requires a successful infrastructure," says Ben Scott, one of the board members of ATI Wireless.

"You need to be able to provide some coaching, a good talent pool, and mentoring as the companies progress. This kind of initiative can move us along much more quickly."

ATI says companies it has incubated have raised more than \$720 million in capital, generated more than \$1.5 billion in revenue and created more than 3,000 jobs. ATI is an arm of the IC2 Institute, which is part of the University of Texas.

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