

Press Release

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TROPOS NETWORKS UNVEILS FIRST CELLULAR WI-FI SYSTEM TO PROVIDE UBIQUITOUS METRO-SCALE BROADBAND WIRELESS DATA COVERAGE

Half Moon Bay Among Commercial Wireless Hot Zone Deployments

SAN MATEO, CA - May 21, 2003 - Tropos Networks™, Inc., formerly FHP Wireless, Inc., today announced the first broadband cellular Wi-Fi mesh networking system. Tropos' new technology, products and services enable ubiquitous, metro-scale, broadband, wireless data coverage for carriers, network operators, service providers and government departments. Tropos' cellular Wi-Fi overcomes what were, until now, the scalability, reliability and economic limitations that prevented metro-scale deployment of Wi-Fi technology.

Underscoring the company's breakthrough, Tropos has commercially deployed the new system for several municipal public safety agencies and service providers, including Coastside Net, headquartered in Half Moon Bay, California. Tropos Networks also announced today that its products are currently being used by Coastside to provide wireless hot zone service across downtown Half Moon Bay. An extension of the hot zone is planned to support the community's harbor area.

"To date, Wi-Fi has been limited to home and office access point deployments, which are more analogous to cordless telephones than to true wireless data, and to public access hot spots, which are similar to pay phones in the telephony world," said Dave Hanna, Chairman and CEO of Tropos. "Wi-Fi's real potential is true broadband wireless data access with anytime, anywhere availability in coverage areas similar to those of cellular telephone service. Tropos' cellular Wi-Fi is the first system that can deliver on Wi-Fi's promise."

"Prior to the Tropos cellular Wi-Fi system, hot zone deployment was prohibitively expensive and logistically impractical. Now, we are able to offer new, cutting edge roaming services, with the system essentially paying for itself in less than four months, compared to the overall costs of implementing the same coverage area, with comparable performance,

using traditional access points,” said Eric Gotfrid, Director of Operations at Coastside Net. “In addition to solving a technical problem, the Tropo system gives us a new way to create revenue while reducing costs and increasing customer satisfaction.”

Coastside’s Hot Zone Service in Half Moon Bay

Coastside placed Tropo’s cellular Wi-Fi equipment in strategic locations to form a seamless coverage area over downtown Half Moon Bay. Connected to Coastside’s authentication and billing system, the wireless hot zone enables residents and tourists to access the Internet from anywhere downtown, as long as they have a client device equipped with a standard Wi-Fi network connection.

If Coastside had tried to use access points, it would have been required to deploy wired backhaul, such as T-1 lines, at every unit. With the Tropo wireless backhaul system, Wi-Fi cells require limited wired connectivity because they communicate wirelessly with each other while providing Wi-Fi coverage for clients. As a result, Coastside is able to bring in new revenue while realizing savings on operational costs, yielding an estimated return on investment of over 300% annually when compared to a system deployed with access points. Plus, it has a system that can easily expand to larger coverage areas and reliably and securely serve its customers.

Distributed Software Intelligence Key to Metro-Scale Ubiquity and Reliability

Tropo’s products transform Wi-Fi into a scalable, reliable infrastructure by layering intelligence on top of Wi-Fi to create a new class of products, Wi-Fi cells. Wi-Fi cells self-organize and, using wireless backhaul, forward data to each other along the optimal path to a wired network connection. Tropo’s system uniquely enables economical, metro-scale Wi-Fi by eliminating the need for each Wi-Fi node to have a wired connection.

The key intelligence is provided by Tropo Sphere™, a network operating system (NOS) embedded in each Wi-Fi cell. Tropo Sphere enables a self-organizing, self-healing and truly wireless broadband data network - free from the costly per-node wired connectivity of access points, the unreliability and coverage gaps of interference-prone smart antenna systems, and the high overhead of non-standard, peer-to-peer client mesh networks.

Tropo Sphere, running on each Wi-Fi cell, provides layer 3 intelligence that enables system coverage to scale and optimizes wireless network performance and reliability. Upon Wi-Fi cell installation, Tropo Sphere automatically establishes communication among the cells. They self-organize into a cellular mesh network in which each Wi-Fi cell chooses its optimal wireless path back to a wired connection. As new cells are added, auto-discovery and optimal path selection seamlessly integrate them into the network.

Because wireless transmission characteristics vary over time, Tropos Sphere continuously monitors the wireless environment and dynamically tunes network settings to ensure optimal path quality to each Wi-Fi cell. These adaptive capabilities also make the network reliable and self-healing. If a link fails anywhere in the network, Tropos Sphere quickly isolates the outage and uses alternate paths to maintain connectivity.

The Tropos system permits seamless scaling of network capacity. Aggregate capacity can be expanded by simply connecting more wired backhaul links anywhere in the network. Tropos Sphere automatically recognizes the new links and dynamically reconfigures the network to distribute the additional capacity throughout the network.

Complete Solution With Products and Services

Tropos Networks provides a complete line of products and services for deploying and maintaining metro-scale Wi-Fi networks. Tropos' products and services include:

- The Tropos 3110 indoor Wi-Fi cell, including Tropos Sphere
- The Tropos 5110 outdoor Wi-Fi cell, including Tropos Sphere
- Tropos Control™, a network management system optimized for cellular Wi-Fi networks that monitors and reports on the status of the network down to each individual wireless link
- Professional site survey, design and deployment services
- 24x7 technical support center, manned live, around the clock, for phone and e-mail support plus advance hardware replacement and software updates

Price and Availability

The Tropos cellular Wi-Fi system, service and support options are available now through Tropos Networks and are priced on a solution basis. The typical system cost is from \$20,000 to \$50,000 per square mile, depending on the geography and RF environment.

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About Tropos Networks, Inc.

Tropos Networks, Inc. is a leading supplier of systems used to build metro-scale Wi-Fi networks. Tropos' products enable network operators, service providers and government departments to provide ubiquitous, metro-scale, broadband, wireless data coverage for users in any locale. Tropos' solution creates a truly wireless network, free from the requirement of per node wired connectivity associated with Wi-Fi hot spot deployments using access points. Tropos' products enable larger coverage areas, decreased installation costs and decreased operational costs. Formerly FHP Wireless, Inc., Tropos is headquartered in San Mateo, California. Tropos Networks can be reached at 650-286-4250, info@troposnetworks.com and www.troposnetworks.com.

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