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TELECOMMUNICATIONS
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THE PHILLIPS GROUP
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ANNOUNCING A NEW PRIMARY RESEARCH STUDY...

**Wireless LANs:
U.S. Market
Demand
and
Opportunity
Assessment**

**U.S. Demand
for
Wireless LANs
Will Increase
Five-Fold
in the
Next Five Years**



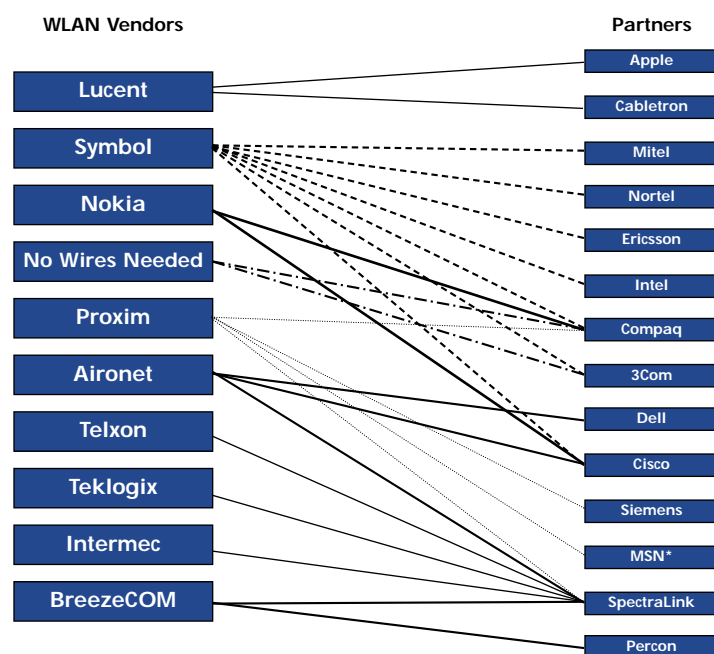
Surge in U.S. Demand for Wireless LANs

Multiple factors are contributing to the surge in U.S. demand for wireless LANs (WLANs): laptop penetration, increased user mobility, ubiquitous access to the Internet and intranets, and newly introduced Voice over IP (VoIP) capabilities. Laptops will number in excess of 100 million by 2004, and network interface cards (NICs) that support wireless LAN access could reach as high as 18 million. Demand for wireless networking in office buildings, on corporate campuses, and eventually in hotels, airports and the home, is expected to explode.

Our primary research found that over 82% of non-users would consider purchasing a wireless LAN by the end of 2001. Over a third said they would consider purchasing in 2000.

Revenues for the U.S. WLAN market will increase five-fold in the next five years to reach almost \$2 billion in 2004. We have witnessed market valuations of standalone publicly held WLAN companies growing at a phenomenal rate as they form alliances with major computer and data networking companies.

Alliances Among WLAN Vendors



* MobileStar Network

Source: The Phillips Group-InfoTech

This primary research study by *The Phillips Group-InfoTech* examines the current and potential enterprise decision-makers, wireless LAN vendors, laptop manufacturers, and industry leaders to assess the market opportunity.

Key Research Questions This Report Will Answer

- What is the U.S. market demand for wireless LANs over the next five years? How is it segmented? How soon will this demand materialize?
- What are the benefits of wireless LANs to end-user segments? Which applications will drive the market?
- What are the benefits, barriers, market opportunities and likely vertical segments for VoIP over wireless LANs?
- How can vendors profit from identified customer applications?
- Who are the market players and who is targeting each end-user segment? What are their strategies? How are they competing and who are the likely winners?
- What are the technology options and the pro's/con's of each? What are the current or future alternatives to wireless LANs? How does Bluetooth relate?
- How important are standards in this market?

In addition, several current WLAN customers were interviewed in depth to develop case studies describing their applications and decision-making processes.

An in-depth analysis of this primary research is now available in a report entitled ***Wireless LANs: U.S. Market Demand and Opportunity Assessment***. The study provides a comprehensive perspective on how WLANs will evolve in the U.S., including:

- An evaluation of major vendor strategies, with market share data and selection of potential long term winners.
- Key factors that influence purchase decisions and optimize revenue.
- Market based demand forecasts through 2004 with market segmentation.
- The impact of VoIP on customer purchase decisions.
- Case studies of wireless LAN customers explaining their evaluation criteria and product selection process.

Why You'll Want This Report

You'll be empowered to make faster and better decisions concerning WLAN marketing, investment and development strategies.

As a Wireless LAN Vendor

- Understand what enterprises told us about why they have not bought WLANs, and focus marketing messages to overcome these surprising findings.
- Obtain current market data to improve critical business decisions on product development, capital investment, deployment, and marketing.
- Understand the key market segments and customer applications to grow your business faster.

As a Laptop Manufacturer/ Equipment Vendor

- Understand how WLANs can lift demand for your product.
- Learn which wireless LAN vendors are attractive partners, and how best to support wireless LAN vendors in their marketing efforts.
- Help focus product development activities to address critical needs and concerns of enterprise customers.

As a Service Provider

- Gain insights into emerging market opportunities in order to impact market development.
- Address the "last mile" problem with this new technology.

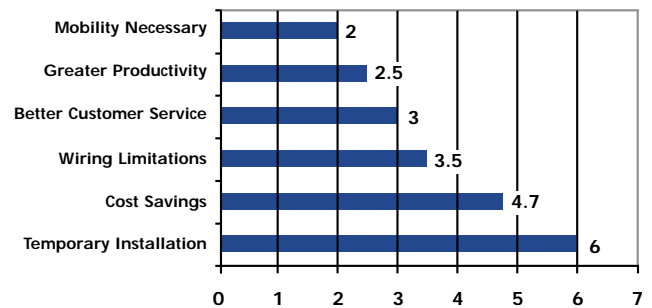
As an Enterprise

- Understand successful applications, critical issues, decision criteria, and vendor selection options.

List of Exhibits

1. Wireless LAN with Access Points (APs)
2. Functional Area Profiles for End-User Survey Participants
3. Peer-to-Peer Communications in an Ad-Hoc Network
4. Extended Service Set
5. Roaming within a Wireless LAN
6. Field of Use
7. 802.11b Product Comparison
8. Target WLAN Users/Applications
9. Key Benefits of Wireless LANs to Laptop Owners
10. Non-Users' Rankings of Reasons Why They Do Not Have a WLAN
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12. Applications/Services that Would Make Non-Users Purchase a WLAN by Industry Sector
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Users' Rankings of Factors that Led to Installing a WLAN



Question: Rank the factors that led you to install a wireless LAN.
(1=Most Important 7=Least Important)

Source: The Phillips Group – InfoTech: Enterprise End-User Primary Research, 2000

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About The Phillips Group – InfoTech

InfoTech is a subsidiary of **The Phillips Group** and its parent, Phillips International, Inc. **The Phillips Group** is a global professional services company specializing in market intelligence for the telecommunications and information technologies industries. Phillips International, with over \$300 million in revenues and 24 years of continuous sales growth, specializes in telecommunications industry publishing (including newsletters, reports and directories), professional conferences, training and other professional services.

In addition to conducting primary research studies, **The Phillips Group** offers a comprehensive range of professional services, including custom consulting, InfoTracksm and Telecom Tacticssm market analysis and competitive intelligence programs, professional conferences, and custom marketing programs. **The Phillips Group** is a recognized leader in project consulting and maintains a tremendous network of global research in over 90 countries worldwide. Our clients include leading voice, data and converged network service and equipment providers, as well as end-users around the world. Our emphasis is on the analysis of information and its application to our clients' business problems and opportunities.

Additional Primary Research Studies published by **The Phillips Group** in 2000 are:

- *Market Demand For Converged Network Services* March
- *3G Wireless Market Expectations* May
- *Network Hosted Applications* June
- *Unified Messaging* July
- *Colocation* August
- *Telecom E-Commerce* August
- *New Media Networks and Services* September
- *IP Telephony Over LAN: Migration and Application Strategies* November

The Phillips Group also produces the following Market Intelligence Products:

- *The Wireless Business Connection*
- *InfoTrack for Enterprise Communications*
- *InfoTrack for Maintenance Services*
- *InfoEdgesm Communications System Configurator*
- *TelecomTacticssm*

For more information, please contact us:

The Phillips Group-InfoTech
90 East Halsey Road
Parsippany, NJ 07054
973-884-0100 - (Voice)
973-884-8804 - (Fax)
www.phillips-infotech.com

