

argoscorecard

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Save the date! Argo's Annual Meeting April 25, 2007

Argo Global Capital has chosen Boston as the site for its 2007 Annual Meeting, to be held from 2:00 p.m. to 4:00 p.m., Wednesday, April 25, 2007, at the Logan Airport Hilton Hotel. We will distribute an agenda that will also be posted on our extranet as the event date nears.

We look forward to seeing you there!



Portfolio Company Profile

Chinatron's core activities are the focus of its Mobiltron subsidiary. The Mobiltron Group specializes in transforming supply chains into Adaptive Business Networks. Mobiltron meets this goal through comprehensive sourcing, supply chain logistics management and the distribution of technology integration solutions to the global wireless industry.

Whether the issue is turning a concept into a consumer product or improving the existing supply chain's efficiency, Mobiltron works with customers to solve all issues, from evolution to successful sell through. With expertise in Process Management, Build-to-Order, Configure-to-Order and On-Demand Customization of hardware and software products, Mobiltron delivers real operational and balance sheet benefits.

The Mobiltron Group operates its Asian Pacific Hub from its headquarters at Hong Kong International, where its unique "on airport" location impacts both time-to-market and volume-to-market performance for time-sensitive technology industries. The firm's purpose-built European customization and configuration facility delivers postponement manufacturing for partners with customers in that critical continent.

Mobiltron China operates 25 distribution centers in China, provides domestic customer support to over 80 cities and currently delivers products to 142 cities within 24 hours. A multi-million dollar ERP system is installed to administer this broad-based undertaking. The company has offices in France, the UK, Dubai, Hong Kong and China.



Mobiltron Supply Chain Solution Benefits

- Inventory reduction of over 70%
- 80% less replenishment lead time
- Release of working capital
- Improvements in product availability
- Significant OPEX and CAPEX savings
- Market sensitive fulfillment
- Decrease of obsolete stock
- Little or no price protection required
- 10% improvement in supply chain efficiency
- Efficient and demand-driven new product introductions

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UPDATE on Portfolio Companies

I-PLAY (DIGITAL BRIDGES, LTD.)

I-play, the mobile entertainment company, announced the European launch of its mobile game Black Citadel II™, sequel to the famous puzzle and role play game hit Black Citadel™, a CTIA-nominee in 2004. Developed by international games developer, Kaolink and published by I-play, Black Citadell II™ launches across I-play's European network of distribution partners. It has already received a perfect 5/5 score as well as Console+ magazine's honorary "game of the month" title.

VGL announced that, along with title sponsor McDonald's, it has signed I-play as its exclusive mobile gaming partner for its upcoming "Midnight Gaming Championship," a new video gaming tournament aiming to find the best gamers in the Dallas, Ft. Worth area and/or the entire nation. I-play will, as part of the offering, execute mobile marketing and short code initiatives on behalf of nationally recognized sponsors, including Time Warner Cable, Best Buy, GameZnFlix, Punchbutton and Coca Cola.

I-play and FISHLABS, a leading developer of 3D games for mobile phones, announced a publishing agreement whereby I-play will unveil five new 3D games that target the mass market mobile gamer. These games will be available later this year and in Q1 2007 via I-play's European distribution network.

HANDMARK, INC.

Alltel Wireless America's largest network and Handmark, the leading on-device portal company, announced that Pocket Express wireless services are available for Palm Powered™ and Windows Mobile® based smart devices and BlackBerry handhelds™ from Alltel. With totally free news, sports and weather, as well as free two-week access to 14 additional subscription services, Pocket Express offers Alltel customers an even greater range of productivity and convenience.

NARAD NETWORKS, INC.

Narad Networks, Inc., a provider of high-performance switched broadband access solutions and Tropos Networks, the market leader for metro-scale Wi-Fi mesh network systems, announced successful interoperability testing of their complementary technologies. The combined solution provides mesh network operators with a new means of backhauling mesh Wi-Fi traffic within the metro area. Tests using Narad's switched Ethernet-over-coax solution and the Tropos 5210HFC MetroMesh router demonstrated aggregate performance exceeding 20 Mbps of symmetric capacity with low end-to-end latency. Such performance will enable operators to offer mobile broadband applications and services such as mobile video and instant messaging, while avoiding the need for costly new fiber construction.

ONMOBILE SYSTEMS, INC.

OnMobile Systems, Inc. recently completed a \$27 million financing from Deutsche Bank, Goldman Sachs and London based Polygon Capital. The Company is continuing to enjoy significant growth rates from its base of Indian wireless carriers and is looking at various opportunities for liquidity in 2007 including a potential Indian IPO.

SYLANTRO SYSTEMS CORPORATION

Huawei Technologies Co. Ltd., a leader in providing next generation telecommunications network solutions for global operators, and Sylanro Systems Corporation, the leading supplier of feature servers for hosted VoIP services in carrier networks, announced that Huawei has selected Sylanro's Synergy application feature server as part of its complete IMS solution for worldwide customers.

uREACH TECHNOLOGIES, INC.

uReach Technologies, Inc., a leading provider of converged communications solutions for wireless, wireline and broadband carriers, announced that SunRocket, one of the nation's fastest-growing Internet phone service providers, has renewed its contract for VoIP messaging services with uReach's valueGROW-Value-Added Managed Services™ program. Already deployed in the U.S. market, SunRocket's next-generation IP voice messaging serves a rapidly growing nationwide subscriber base and marks the largest managed VoIP voice messaging deployment in North America.

VALLENT CORPORATION (WATCHMARK CORPORATION)

IBM announced it has agreed to acquire Vallent Corporation, a privately held company based in Bellevue, Washington, with more than 400 employees. The acquisition is subject to regulatory approvals and is anticipated to close in the first quarter of the 2007 calendar year. The combination of Vallent's software and IBM's comprehensive management capabilities will enable service providers to deliver and manage end-to-end high quality services across wireline, wireless, IP and converged fixed/mobile network infrastructures.

VOLUBILL SA

VoluBill SA, a leading supplier of real-time charging, control and monitoring applications for IP-based mobile services, announced their selection for a ground-breaking new deal with a major North African affiliate of a leading mobile telecoms group. According to the terms of the agreement, VoluBill will supply its Charge IT™ real-time data control and charging solution, which is valued at close to €1 million.

WEBRASKA MOBILE TECHNOLOGIES SA

Webraska Mobile Technologies SA, a leading provider of mobile GPS navigation solutions and high-end geospatial software platforms for wireless carriers and major service providers worldwide, announced that Orange UK has selected Webraska Navigation to provide corporate and SME customers with a GPS navigation solution through Webraska's Orange Business Services.

WORLD WIDE PACKETS

Lucent Technologies and World Wide Packets, a leading provider of Ethernet solutions, announced that the Swiss-based Sierre-Energie power utility and communications service provider has selected a joint solution from the two companies that will permit deployment of feature-rich Ethernet services over its broadband fiber to the home (FTTH) network. These capabilities will allow Sierre-Energie to deliver "triple play" services, including IPTV, to its 30,000 business and residential users. Lucent will supply Sierre-Energie with World Wide Packets' LightningEdge customer premises equipment (CPE) and other products for the project, to permit successful delivery of a range of new services with exceptional levels of speed and cost effectiveness.



NewsFlash



I-PLAY (DIGITAL BRIDGES, LTD.)

NBC Universal and I-play, the mobile entertainment company, announced a new on-demand video bringing highlights to mobile from the Emmy Award winning comedy series, *The Office*. Through a ground-breaking license agreement with Universal Mobile Entertainment, I-play and Universal will unveil the first prime-time content from NBC Universal's extensive television series catalog.

I-play, along with iWin, a leading developer and publisher of online casual games, announced the launch of *Inca Quest™*, the latest installment in their wildly popular puzzle franchise. *Inca Quest* joins I-play's successful iWin franchises, including *Big Kahuna Reef™* (Hawaii Quest), *Mah Jong Quest™* and *Jewel Quest™*, which has delivered close to two million downloads in just over 12 months. *Inca Quest™* is now available to over one billion mobile subscribers through I-play's global distribution network.

I-play also announced the global launch of *3D Pool 3: High Roller*, sequel to the critically acclaimed *3D Pool* and *3D Pool Urban Hustle*. The *3D Pool* franchise has pocketed nearly 1.5 million downloads, a testament to I-play's commitment to building commercially successful mobile games that appeal to gamers of all kinds.

HANDMARK, INC.

Handmark, Inc. creator of the best mobile infotainment experience, announced that it has won two Gold and three Silver Mobile Star Awards™ from MobileVillage®, the 14-year leader in mobile technology market development and news services.

Handmark, Inc. also announced an upgrade to its award-winning Pocket Express™ mobile Internet experience, bringing sports fans instant access to information they crave. All users can now obtain major sports scores and information in real time—inning by inning, quarter by quarter and half by half. The new Express Scoreboard service is a part of the free Express package that also includes worldwide news and photos from the AP, team-by-team detailed coverage and AP sports photos and detailed weather forecasts for over two million locations worldwide.

LGC WIRELESS, INC.

LGC Wireless, Inc., the leader in advanced in-building wireless systems, announced that Vipnet, the most advanced mobile operator in Croatia, has deployed LGC's Interreach Unison™ Accel system to provide strong and pervasive cellular coverage for its new Zagreb headquarters. This innovative system delivers GSM and UMTS service over the facility's seven floors of offices and two underground parking levels, comprising more than a total 100,000 square feet of space.

NEURAL TECHNOLOGIES

An ever-growing number of telecommunications operators are realizing the benefits of integrating their fraud and credit management functions. The benefits are numerous, comprising increased efficiency, along with reductions in integration costs, ongoing interface maintenance and overall hardware costs.

Neural Technologies is the first company to supply a joint fraud and credit management software solution to the industry. The company installed its Minotaur™ Fraud and Credit Management Solution at Danish operator TDC last year and it is currently deploying Minotaur™ for one of Europe's largest GSM operators.

SYLANTRO SYSTEMS CORPORATION

Sylantro Systems, the leading supplier of feature servers for hosted VoIP services in carrier networks, named Marco Limena President and Chief Executive Officer, effective immediately. Mr. Limena, former Vice President of Hewlett Packard's multi-billion dollar Network and Service Provider Solution business, takes over this role from Sylantro President and CEO Pete Bonee, who now serves as Sylantro's Chairman.

UREACH TECHNOLOGIES, INC.

uReach Technologies, Inc. a leading provider of converged communication solutions for fixed line, mobile and broadband service providers, announced that SaskTel, the leading full-service communications company in Saskatchewan, has selected uReach's say TEXT™ Audio SMS product to power their new Say & Send messaging service.

WEBRASKA MOBILE TECHNOLOGIES SA

Webraska Mobile Technologies SA, a leading provider of mobile GPS navigation solutions and high-end geospatial software platforms for wireless carriers and major service providers worldwide, announced the launch of Webraska Navigation 7, the latest version of the satellite navigation service for mobile devices. Major operators such as Orange and Vodafone are already offering Webraska's navigation solutions in Europe. The new version, Webraska Navigation 7, dramatically enhances the application's user-friendliness and ability to integrate dynamic functions. Webraska Navigation 7 presents a fully re-designed user interface. All menus have been renewed to feature even more attractive and intuitive 3D icons. A 3D map viewer is now available as well, offering a bird's eye view of the itinerary map and a highly realistic representation of the road ahead.

WORLD WIDE PACKETS

World Wide Packets, a leading provider of Carrier Ethernet solutions, announced the release of Ethernet Services Manager (ESM) 4.5, a carrier grade element management system designed to accelerate the management and operation of large-scale Ethernet service networks. ESM 4.5 scales to support millions of service instances across tens of thousands of network elements, all while seamlessly integrating with northbound network management system (NMS) and Operations Support Systems (OSS) applications.

Convergence phones—new opportunities for end users and operators



SUPPORT FOR NEW HANDSET FEATURES HAS ALWAYS BEEN OF HIGH IMPORTANCE NOT ONLY TO THE MOBILE INDUSTRY BUT ALSO TO MANY END USERS. THIS YEAR HAS SEEN THE LAUNCH OF VARIOUS MODELS SUPPORTING WLAN—A FEATURE INITIALLY WELCOMED, BUT THEN FREQUENTLY CRITICIZED FOLLOWING PRODUCT LAUNCHES, DUE TO ISSUES OF USABILITY AND BATTERY LIFE. DOUBTS WERE ALSO BEING RAISED ABOUT THE NEED FOR ANOTHER VOICE CARRIER BESIDE CONVENTIONAL CELLULAR TECHNOLOGIES. SO WHERE IS THE NEED FOR “MOBILE WLAN”?



Support for new handset features has always been of high importance not only to the mobile industry but also to many end users. This year has seen the launch of various models supporting WLAN—a feature initially welcomed, but then frequently criticized following product launches, due to issues of usability and battery life. Doubts were also being raised about the need for another voice carrier beside conventional cellular technologies. So where is the need for “mobile WLAN”?

This question relates to the ITC industry’s general trend media and device convergence, leading to mobile phone usage patterns in which cellular networks are not involved. If we take a step back, however, it becomes clear that a growing number of households employ wireless home networks. Such networks permit sharing and streaming of content among PCs, laptops, game consoles or network hard drives. The common protocol enabling these devices to connect to each other is Universal Plug and Play (UPnP).

Looking at first like “just another protocol,” UPnP has, in conjunction with WLAN, the potential to build bridges between devices from several worlds: “old style” consumer electronics (receivers, set-top boxes or car radios), IT appliances (PCs, laptops, portable media players) and mobile phones. As an ever-increasing number of people use mobile phones to record and play back digital media, several interesting possibilities emerge, including the extension of home convergence to mobile devices. Handsets can act as portable media centers for music, images and video, while content can be played to and shared with family and friends.

Multiple challenges are also apparent. End users in many markets are accustomed to receiving replacement phones at low prices, but mobile operators have little motivation to subsidize handset features when ARPU return is uncertain. How can this issue be addressed?

The first customers using convergence devices will be early adopters, prepared to pay a premium for the latest handsets with innovative features. As the demand for UPnP phones grows over time, operators will be obliged to offer at least a couple of compliant models to meet consumer demand. Broadband Internet providers may also offer subsidized convergence phones once preinstalled clients for VoIP and other IP services provide adequate service quality and handset prices have reached acceptable ranges.

The trend of service providers entering the “multi-play” arena can, accordingly, help accelerate penetration by convergence handsets. Converged operators usually offer various types of services and bundles, and can provide suitable device packages consisting of fixed-line or wireless routers, home phones or standard mobile phones, as well as higher-end WLAN phones.

Multi-play service providers might, therefore, be in better positions to benefit from convergence devices. With the right portfolio of services and handsets, they can serve all customer segments, including those not interested in bundled or converged services. A single-play operator would need to focus on users seeking single services, or invest in device features that do not yield a return. Nonetheless, it is too early to say how convergence phones will impact the bottom line of multi-play operators. With a growing number of services and technologies available, the need for careful segmentation, user-friendly service implementation and inexpensive devices is more apparent than ever. Multi-play operators should address these issues if they want to stand up to single-play competitors focusing on fewer, professionally delivered services.

ARNDT MITWER
Senior Consultant, inCode

Upcoming Events

3GSM World Congress 2007
February 12-15, 2007
Barcelona
Spain

CTIA Wireless 2007
March 27-29, 2007
Orlando, FL
USA

Argo Global Capital Annual Meeting
April 25, 2007
Boston MA
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