

Mobile Internet Services Will Dominate The News in 2008, According to M/C Venture Partners' Top-10 Trends To Watch List

VC Firm Sees Strong Opportunities in Mobile Investments in '08

BOSTON--([BUSINESS WIRE](#))--Mobile phones stand to become the primary Internet appliance for people worldwide, according to M/C Venture Partners, which today released its list of top Internet and communications trends to watch in the coming year. The venture capital firm's Top-10 trends list also points to consolidation and increased bandwidth consumption as critical items that will drive the industry in 2008.

M/C Venture Partners, which focuses on the communications, media, and information technology sectors, developed the list as an element of its research for gaining an accurate picture of its target industries and portfolio companies. The list includes input from M/C Venture Partners management and executives from many of its portfolio companies.

1) **"Mobile broadband is becoming the medium to bridge the digital divide worldwide,"** said James Wade, managing general partner, M/C Venture Partners. "Many people in the world, even developed economies, don't have regular, affordable access to the Internet for a variety of reasons, but mobile phones and the business models around them are profitably penetrating even the low income sectors of the economy. Now more than ever, people of many means can use mobile phones to enable their lives. Quite simply, mobile broadband will democratize communications."

Other trends on the M/C Venture Partners' list include:

2) **Consolidation will continue to be a driving force in the telecommunications services industries.** Wireless carriers, CLECs, fiber carriers, and rural carriers are all improving their business models through consolidation, enabling higher profitability and quality services for their customers.

3) **Network service providers will increase their usage of fiber-based infrastructure significantly.** Driven by consumer demand for streaming video, premium bandwidth-intensive wired and wireless services, network service providers are continuing to absorb fiber from the glut, resulting in an environment with firmer pricing and higher fiber capacity utilization.

4) **T1s going the way of the dinosaur.** With businesses leading the way, IP-based broadband last-mile solutions will supplant T1 connections as the superior conduit for data communications. Through fixed wireless and fiber offerings the solutions are more flexible, affordable and available than ever.

5) **The square footage of quality network hub locations (commercial data and collocations centers, Internet exchanges, proprietary hosting centers) will increase sharply in 2008.** As bandwidth-intensive services continue to grow, so too does demand on network facilities. The industry is starting a new investment cycle in data centers that can support the power and bandwidth requirements fueled by video applications, distribution of database information and distributed computing, which will become more prevalent in 2008.

6) **Telephony solutions will morph into managed services for the enterprise.** VoIP services helped to start this trend, which promises to get a lot of attention next year. Alternative telephony companies will go beyond being a commodity provider and branch out into more complex outsourced applications that touch the data needs of the enterprise.

7) **Wireless ushering in the 'second coming of broadband'.** Based upon investment trends and consumer demand, wireless broadband is doing today what DSL and cable broadband did

for consumers five years ago. The industry will get past the hype and promise of wireless broadband and in 2008 finally begin introducing compelling services first to the consumer and later to the enterprise. Consumers in rural markets, in particular, will see an impact from this trend.

8) Consumers are increasingly valuing safety and security on their mobile devices, helping to support the carrier's "walled garden" for mobile media. Payment-oriented applications, in particular, will drive this relationship. Carriers will benefit with a stronger base of viewers for their advertising models.

9) New seeds of application and network device innovation will be planted for future years. As a result of many of the advancements in data consumption and consumer demand for Internet-related services, there will be more opportunities for investors in new network devices and software applications to enable and manage the re-emerging communications ecosystems.

10) Network service providers will become key pillars of product and service innovation in 2008. Through consolidation and rational pricing, companies are profitable and that creates a good environment for investment in high-bandwidth applications and infrastructure.

About M/C Venture Partners

M/C Venture Partners is a venture capital firm focused exclusively on the communications, media, and information technology sectors. The firm has invested over \$1.8 billion into nearly 80 companies in those sectors. Companies the firm has backed include MetroPCS, Cavalier Telephone, TeleCorp PCS, Triad Cellular, Crowley Cellular, and Brooks Fiber. The firm has strong institutional backing from the nation's leading pension funds and endowments as well as a long track record of success. M/C Venture Partners has offices in Boston and San Francisco.

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