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SIEMENS VENTURE CAPITAL INVESTS IN CHANTRY NETWORKS

Siemens Venture Capital Investment Brings Series “B” Round to \$17M in Equity Financing

WALTHAM, MA—October 12, 2004—Chantry Networks, the leading provider of secure integrated mobility management solutions for WLAN, today announced that Siemens Venture Capital has joined the Company’s Series “B” round of funding, bringing the total round to \$17 million in private equity financing. Along with the investment, Louis Rajczi, Investment Partner, Siemens Venture Capital, has joined Chantry Networks’ Board of Directors.

“Siemens is a global 'giant' in the enterprise solutions business,” said Peter N. Vicars, president and CEO, Chantry Networks. “With their expertise in telephony and large IT deployments, they bring a unique perspective and skills to converged IP networking. Siemens’ selection of Chantry Networks for this strategic investment is a terrific validation of our BeaconWorks WLAN technology. We welcome Louis Rajczi onto our Board and look forward to working closely with Siemens on enterprise wireless networking.”

“The market is quickly moving to converged IP services for enterprises and carriers,” said Louis Rajczi. “Siemens evaluated all of the start-ups and many of the established players in the Wireless LAN space. Chantry’s BeaconWorks™ provides the most comprehensive and robust platform for Voice over IP (VoIP), data, and rich-media applications and services over any RF technology, including 802.11-based networks”.

Flagship Ventures, Primaxis Technology Ventures, Venture Coaches/Skypoint Capital and Ventures West also participated in this round, which was co-led by Flagship and Ventures West.

“Chantry and Siemens share a common vision for secure integrated wireless networking for the enterprise,” commented Per Suneby, vice chairman and chief strategy officer, Chantry Networks. “We continue to expand and deliver on this vision and are currently entertaining interest from other like-minded strategic partners and investors.”

Chantry will use the funds to expand sales and marketing operations, enter into markets outside of North America, and continue to enhance the core product.

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Chantry's BeaconWorks has won numerous awards including Frost & Sullivan's "2004 Wireless LAN Solutions Excellence in Technology Award", "Best of Show" at the 2004 WiFi Planet Conference and Expo for its VoWLAN handling capabilities and is well received in the marketplace. Chantry customers have been profiled in *CIO*, *The New York Times* and other business and trade publications.

Unlike traditional Layer 2 switch-based offerings, Chantry Networks' BeaconWorks provides wireless connectivity directly over IP (Internet Protocol). This approach enables out-of-the-box compatibility with leading wired network infrastructure, provides the foundation for wireless voice over IP (VoIP) and gives customers a future-proof solution for converged wireless networks.

The entire line of BeaconWorks products includes Chantry's innovative VNSWorks™ technology for intelligent wireless subnets that enable differentiated provisioning and policing between different types of user groups, over one physical network. This approach enables companies to use wireless with their existing network security and VPN solutions, and provides unmatched functionality that is absolutely critical to large enterprises.

Chantry Networks' funding is the latest in a series of events propelling it to market leadership. These include: successful customer deployments in large convention centers, universities and the public sector and a groundswell of new customer orders; strategic partnerships with leading technology providers including Blue Ridge Networks, CheckPoint, Funk Software, Propagate Networks and SpectraLink; being the only wireless router to achieve Wi-Fi certification; and invitations to speak at nearly every significant wireless industry event and tradeshow in 2004.

About Chantry Networks

Chantry Networks is the leading provider of secure integrated mobility management solutions for wireless networks. Chantry's innovative WLAN suite of products, BeaconWorks, offers unprecedented scalability and availability, coupled with unique network virtualization features, to overcome the obstacles inherent in traditional WLAN systems and provide enterprises and service providers with the first economical and practical solution for building seamless and pervasive wireless networks. Founded in April of 2002, Chantry Networks is headquartered in Boston with offices in Chicago, Denver, New York, San Francisco and Toronto. Chantry is backed by top-tier investors including Flagship Ventures, Primaxis Technology Ventures, Siemens Venture Capital, Venture Coaches/Skypoint Capital and Ventures West.

About Siemens Venture Capital

Siemens Venture Capital (SVC) is the \$600 million corporate venture organization for Siemens AG, (NYSE:SI) one of the largest global electronics and engineering companies with reported worldwide sales of \$80.5 billion in fiscal 2003. The goal of SVC is to identify and fund investments in emerging and innovative technologies that will enhance the core business scope of Siemens, particularly in Information and Communications, Automation and Control, Medical Solutions, Automotive Technology and Transportation Systems, Power, and Lighting.

With offices in Munich, San Jose (CA), Boston (MA) and through Siemens Israel, Ltd. in Rosh Ha'ayin near Tel Aviv, SVC has an active portfolio of more than 70 start-up companies and 30 venture capital funds, and plays a key role in the global network of innovation. More: www.siemensventurecapital.com

About Flagship Ventures

Founded in 1999, Flagship Ventures (www.flagshipventures.com) is an entrepreneurship and venture capital firm comprised of a family of funds: OneLiberty Funds, AGTC Funds and

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NewcoGen Group. We currently invest from \$400 million in funds raised in 2000, and manage a total pool of committed capital approaching \$600 million. The Flagship Ventures team consists of 29 professionals focused on creating, financing, and building companies in the life science, information technology, and communications sectors.

About Primaxis Technology Ventures

Primaxis Technology Ventures Inc. (www.primaxis.com) is a start up venture capital firm based in Toronto, Canada. Primaxis partners with entrepreneurs to build world leading technology companies.

About Skypoint Capital

Skypoint Capital is an early-stage investor committed to building the next wave of successful communications and information technology companies. The Partners have extensive operational knowledge and experience to mentor portfolio companies in technology development, corporate governance and business development. Skypoint Capital is headquartered in Ottawa, with investments across Canada. For more information, visit www.skypointcorp.com.

About Ventures West

Ventures West is an active venture capital partner that invests in early stage technology companies across Canada from offices in Vancouver, Toronto, Ottawa and Montreal. Established in the Canadian venture capital market for over 30 years, Ventures West has formed eight venture capital funds which total over \$700 million and has invested in more than 130 companies. For more information, visit www.ventureswest.com

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This release contains forward-looking statements based on beliefs of Chantry Networks management. The words "anticipate," "believe," "estimate," "forecast," "expect," "intend," "plan," "should," and "project" are used to identify forward-looking statements. Such statements reflect the company's current views with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual results to be materially different, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products, lack of acceptance of new products or services and changes in business strategy. Actual results may vary materially from those projected here. Chantry Networks does not intend or assume any obligation to update these forward-looking statements.