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CHANTRY NETWORKS AGREES TO BE ACQUIRED BY SIEMENS

Siemens' HiPath Portfolio Reinforced for Enterprise Customers

WALTHAM, MA—December 9, 2004—Chantry Networks, the leading provider of secure integrated mobility management solutions for WLAN, today announced that it has agreed to be acquired by Siemens. Chantry Networks is headquartered in Waltham, Massachusetts and its product development center is in Toronto, Canada. With this agreement Siemens is expanding its expertise within the HiPath portfolio to the rapidly growing WLAN market. Innovative communication solutions for enterprise customers, particularly mobile office applications will seamlessly be integrated into these WLAN solutions.

Chantry Networks specializes in WLAN technology that offers solutions for the wireless convergence of voice and data transmission. In particular, in the fields of seamless transfer between access points and voice quality, Chantry Networks has the very latest in state-of-the-art products. The product portfolio integrates central security solutions that guarantee top security even in the sensitive WLAN area. The architecture also allows virtual WLANs to be set up, i.e. protected, secure areas for exclusive access by individual users and user groups. The Chantry architecture is ready for later integration of WiMAX, and the access points are designed in such a way that devices from different third-party manufacturers can be integrated.

"Through this agreement of acquisition, we will further expand our communication architecture for corporate customers and strengthen our market position in this sector. In the growth area of WLAN, we will also now be able to offer our customers future-oriented solutions," explained Andy Mattes, Member of the Group Board of Siemens Communications. "With the Chantry team and its BeaconWorks™ product line we have found just the right partner to optimally supplement our portfolio with wireless voice-data convergence."

"This announcement is a watershed event for the industry," said Peter Vicars, president and CEO of Chantry Networks. "I believe Siemens' tremendous market reach and strong HiPath portfolio, combined with our industry-leading wireless LAN solutions, brings a compelling value proposition to customers and Siemens' partners around the globe."

The agreement is expected to result in the closing of the transaction in early 2005. Terms of the acquisition were not disclosed.

Chantry Networks is the leading provider of secure integrated mobility management solutions for wireless networks. Chantry Networks' 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 product development center in Toronto and offices in Chicago, Denver, New York, San Francisco and Washington, D.C. and has more than 70 employees. Chantry Networks is backed by top-tier investors including Flagship Ventures, Primaxis Technology Ventures, Venture Coaches/Skypoint Capital, Ventures West and Siemens Venture Capital. Additional information about Chantry is available at www.chantrynetworks.com

HiPath is the Enterprise Convergence Architecture from Siemens. A comprehensive solution and service portfolio enables companies to further expand their existing voice and data infrastructures, safeguard their existing capital investment, and implement second generation IP (2gIP) applications. 2gIP applications optimize company processes and lead to a sustained improvement in productivity for the corporation. Thanks to the continuous further development of its products and software, Siemens Communications is an innovation leader on the path to a seamless integration of realtime communication in the IT world. According to analysts, HiPath has ensured that Siemens is the world's number one supplier of VoIP connections. With a market share of 38.6%. Siemens aims to further expand this position. Over 70% of the Fortune 500 corporations have selected a HiPath solution. Customers include BMW, DaimlerChrysler, Deutsche Bank, Ford, IBM, Kodak, SAP, BP and Volvo. Additional information about HiPath is available at: www.siemens.com/hipath

Siemens Communications is one of the largest players in the global telecommunications industry. Siemens is the only provider in the market that offers its customers a full-range portfolio, from devices for end users to complex network infrastructures for enterprises and carriers as well as related services. Siemens Communications is the world's innovation leader in convergent technologies, products and services for wireless, fixed and enterprise networks. It is the largest Group within Siemens and operates in more than 160 countries around the world. In fiscal 2004 (year-end September 30), its 60,000-strong workforce posted sales of approximately 18 billion euros. More about Siemens Communications at <http://www.siemens.com/communications>

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