Terabeam Nabs 3 “Fastest Growth” Positions in Network World Magazine’s NW200 List

San Jose, CA, May 9, 2006 – Terabeam, Inc. (NASDAQ: TRBM), a leading developer and supplier of broadband wireless solutions, today announced that it has been included for the first time in Network World’s annual “NW200” ranking of top networking companies. Network World has annually published this list of the largest North American network vendors, ranked by revenue, for the past 12 years. Terabeam placed at number 175 on the NW 200 list. In an article published on April 24, Terabeam Grabs Fastest-Growth Spots, Terabeam was cited in the first or second position on all three of Network World’s “fastest-growing charts.” The company was No. 1 for five-year revenue growth (136%), No. 2 for one-year revenue growth (157%), and No. 1 for employee growth (136%).

“We’re honored to be recognized by Network World. We knew that we were growing fast but to be number one in the hyper-kinetic networking market is fantastic,” said Robert Fitzgerald, CEO of Terabeam. “A key to our rapid growth is the development of an extremely broad and robust wireless broadband product line. We are seeing our product and experience breadth to be a significant competitive advantage as wireless broadband projects are becoming larger and more complex. We’re not looking to slow down!”

Terabeam generates the great majority of its revenue through the sale of broadband wireless equipment by its wholly owned subsidiary Proxim Wireless. In the past few months, Proxim Wireless has issued a series of new product announcements, further demonstrating the company’s strides toward expanding its leading portfolio of products for outdoor broadband wireless access. Customers can now take their networks in new directions with:

- The capabilities of fixed and mobile WiMAX for the U.S and global markets - Tsunami® MP.11, available for 2.4 GHz, 5.25 GHz, 5.47 GHz and 5.72 GHz frequency bands, now includes fast roaming, WiMAX Quality of Service (QoS), and enhanced dynamic frequency selection (DFS).
- WiMAX Forum Certified™ point-to-multipoint products for service provider networks outside of the U.S. in the 3.5 GHz frequency band – Tsunami MP.16, available for 3.4-3.6 GHz frequency bands.
- Outdoor wireless mesh solutions for metropolitan and community access networks – including the AP-4000MR-LR, dual-radio, ruggedized Wi-Fi mesh access point, with a similar version, the AP-4900MR-LR, available for mission-critical, 4.9 GHz public safety networks. Both offer double the capacity of single-radio competitive offerings backed by the powerful features of the ORINOCO® Wi-Fi platform.
- Millimeter wave technology offering the performance of fiber for a fraction of the cost and installation time – the GigaLink® series of point-to-point radio systems, operating in the license-free frequency band of 60 GHz, offers throughput up to 1 Gbps with a range of enterprise and carrier network interfaces, and has proven to be a cost-effective solution for media companies, pharmaceutical manufacturers, medical centers, universities and other enterprises requiring bandwidth-intensive data transfers without the issues of installing fiber.

Another significant, recently-announced Proxim Wireless initiative is a special “Equipment Grant Program” for selected municipalities. To qualify for consideration, municipalities must currently be in the planning stages of deploying a Community Access Network. Under the Program, Proxim plans to award to two cities, each of which meets certain qualifications, a quantity of its new outdoor mesh products without cost for use in Municipal Wi-Fi or Public Safety applications. More information can be obtained by visiting the Community Access Networks section of Proxim Wireless’ website at www.proxim.com or by calling Proxim Wireless at 408-731-2700.

About Terabeam
Terabeam, Inc. has two primary subsidiaries Proxim Wireless Corporation and Ricochet Networks, Inc. Proxim Wireless Corporation is a global leader in providing WiMAX, Wi-Fi, and other broadband wireless solutions to meet the performance, scalability, and security requirements of enterprises, government, and service providers. Ricochet Networks, Inc. is a leading portable Wireless Internet Service Provider (WISP) with operational markets in Denver, Colorado and San Diego, California. Additional information about the company can be found at the company’s website located at http://www.terabeam.com or by contacting the company by telephone at 413-584-1425 or by email at IR@terabeam.com.

Safe Harbor Statement
Statements in this press release that are not statements of historical facts are forward-looking statements that involve risks, uncertainties, and assumptions. Terabeam’s actual results may differ materially from the results anticipated in these forward-looking statements. The forward-looking statements involve risks and uncertainties that could contribute to such differences including those relating to and arising from the inability to predict whether our revenue or number of employees will continue to increase or even continue at current levels; ongoing uncertainty in the telecommunications industry and larger economy; the intense competition in our industries and resulting impacts on our pricing, gross margins, and general financial performance; time and costs associated with developing and launching new products; uncertainty about market acceptance of products we introduce; potential long sales cycles for new products such that there may be extended periods of time before new products contribute positively to our financial results; time, costs, political considerations, typical multitude of constituencies, and other factors involved in evaluating, equipping, installing, and operating municipal networks; difficulties or delays in developing and supplying new products with the contemplated or desired features, performance, compliances, certifications, cost, price, and other characteristics and at the times and in the quantities contemplated or desired; the difficulties in predicting Terabeam’s future financial performance; Terabeam’s recent acquisition of Proxim Corporation’s operations, assets, and relationships; and the impacts and effects of any other strategic
transactions Terabeam may evaluate or consummate. Further information on these and other factors that could affect Terabeam's actual results is and will be included in filings made by Terabeam from time to time with the Securities and Exchange Commission and in its other public statements.