Proxim Wireless Enables "Outside-In" Residential High-Rise Wi-Fi System

Network Connects to Wireless "Backbone" Inside Building

San Jose, CA, August 29, 2006 – Proxim Wireless Corporation, a global manufacturer of broadband wireless equipment and wholly-owned subsidiary of Terabeam, Inc. (NASDAQ: TRBM), today announced that its ORiNOCO® broadband wireless access points are powering Chicago's largest residential high-rise Wi-Fi system with "Proxim outside." With 656 apartment units, the 43-story building has the most units in the city linked by a single Wi-Fi system, offering residents free Internet access without the need for DSL, cable, or a router. The network has been designed and installed by MDI Access, a Proxim Wireless partner, for Draper and Kramer, Incorporated, a Chicago-based property and financial services company.

Proxim Wireless ORiNOCO access points - installed on the exterior of 1130 S. Michigan Avenue in Chicago - connect to a wireless "backbone" inside the building, providing "outside in" Internet access to all residents. Proxim's mesh technology simplifies Wi-Fi deployments such as this through the ORiNOCO Mesh Creation Protocol (OMCP), which allows creation of self-forming and self-healing non-line of sight (NLOS) mesh networks. Proxim's Wi-Fi mesh products feature a dual-radio configuration, increasing system capacity by allowing one radio to focus on Wi-Fi access and the other radio to perform mesh backhaul duties.

"Proxim Outside" installation saves money, time, and inconvenience

According to Bob Heiderscheidt, president of MDI Access, "Our customer, Draper and Kramer, was very clear that rewiring the building was not an option because of the high cost, that they wanted wireless, and that they wanted it for less than half the price of a wired solution. MDI Access and Proxim Wireless delivered on all counts."

Now as a result, residents receive free wireless Internet access as part of the building's amenities package without the need for land-based telephone lines, cable service, or routers. Heiderscheidt pointed out that the new "Proxim outside" system covers the entire building with Wi-Fi signals and works much better than other Wi-Fi approaches tested. It also eliminated the need to run new wires and cables through stairways, corridors, and residents' units.

"Proxim Outside" Increases Reach of Municipal Networks

Vertical wireless LAN (WLAN) deployments in high-rises such as that of 1130 Michigan Avenue supplement municipal network deployments, which are focused primarily at people on the street and in cafés. "What we've done using 'Proxim outside' is take your typical municipal layout and turn it 90 degrees," said Heiderscheidt. "We were able to do this because Proxim's products are easy to use and configure, and they just work. That's good news for cities deploying municipal networks and those whose networks will ultimately tie into them."

Proxim Wireless has the depth of experience and breadth of product portfolio to offer end-to-end municipal wireless solutions that meet a wide variety of network needs, including supporting older high-rise buildings such as 1130 Michigan Avenue with "Proxim outside." Proxim Wireless provides the entire solution: a complete, advanced network encompassing backhaul, middle mile, edge access, client devices, and network optimization.

This product breadth delivers a number of advantages to municipalities. First, cities are able to deal with a single vendor for all their networking needs, thereby increasing personnel efficiency and speed of deployment. Second, municipalities can receive products that have been engineered and designed to work together, rather than worrying about interoperability of products acquired from multiple vendors. Third, for support after the sale, cities can place a single call to Proxim Wireless to resolve questions rather than calling multiple vendors.

"Proxim Wireless is pleased to join MDI Access and Draper and Kramer in delivering a broadband access solution that sets a new standard for high-rise Wi-Fi deployments in older buildings where rewiring is cost-prohibitive," said Geoff Smith, Proxim Wireless vice president of worldwide marketing. "We look forward to working with MDI Access as they bring wireless broadband access to additional properties in the Draper and Kramer portfolio with 'Proxim outside' Wi-Fi."
About Proxim Wireless
Proxim Wireless Corporation is a wholly owned subsidiary of Terabeam, Inc. (NASDAQ: TRBM). Proxim Wireless is a global pioneer in developing and supplying scalable broadband wireless networking systems for enterprises, governments, and service providers. From Wi-Fi to wireless Gigabit Ethernet -- our WLAN, mesh, point-to-multipoint, and point-to-point products are available through our extensive global channel network, backed by world-class support. Proxim is a Principal Member of the WiMAX Forum and is ISO-9001 certified. Information about Proxim and its products and support can be found at http://www.proxim.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. Our 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 the intense competition in our industries and resulting impacts on our pricing, gross margins, and general financial performance; difficulties or delays in obtaining any necessary Federal Communications Commission or other governmental or regulatory certifications, permits, waivers, or approvals; and difficulties or delays in developing and supplying new products with the contemplated or desired features, performance, compliances, certifications, cost, price, and other characteristics. Further information on these and other factors that could affect our actual results is and will be included in filings made by Terabeam from time to time with the Securities and Exchange Commission and in our other public statements.

Additional information:

About MDI Access
MDI Access provides design, installation, maintenance and management of high-speed Internet access and satellite TV services to multi-tenant residential, commercial and mixed-use properties. Headquartered in Alsip, Ill., MDI Access customizes solutions to meet customer needs, using wireless, cable, phone wiring, Cat5 and fiber optics as appropriate. Customers include Atlantic Realty, BJB Partners, Crescent Heights, Draper and Kramer, Duke Realty, Equity Residential, Habitat, Lincoln Properties, Realty & Mortgage, and Weisman Hughes Development. MDI Access' experienced team of project managers, installers and IT professionals has successfully designed, installed and implemented network solutions in more than 6,000 apartment units, commercial businesses and condominiums in the greater Chicagoland market and beyond. http://www.mdiaccess.com

About Draper and Kramer, Incorporated
Draper and Kramer, Incorporated, is a vertically integrated property and financial services company headquartered in Chicago. Serving institutional and commercial customers and consumers nationwide and beyond, Draper and Kramer provides a full range of services relating to property, financing, risk management and insurance. http://www.draperandkramer.com