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3Com Invests in Coactive Networks

Second Round Investors Support Business and Home Networking Gateway Pioneer

SAUSALITO, Calif., December 14, 1999 — Coactive Networks, the leader in connecting open control systems to Internet technologies, today announced it has secured \$14 million in funding from new investors including 3Com Ventures, a business development group within 3Com Corporation that invests in emerging technology companies, and Technology Associates, and existing investors including Chase Capital, TechFund Capital, and Charter Ventures. These funds will be used to expand product development, increase sales and marketing efforts, and for other general business purposes.

"Today's trends towards e-services are a perfect fit with Coactive's value proposition," said Janice Roberts, senior vice president of business development for 3Com and president of 3Com Ventures. "The convergence of broadband access, home networking, and Internet connectivity from many types of devices provides significant opportunities for integrated home gateway solutions."

"As the Internet continues to become an integral part of people's everyday lives, residential gateways such as Coactive's will enable service providers to deliver multiple services via a single box," said Navin Sabharwal, senior analyst at Allied Business Intelligence. "Access to the actual devices and appliances as well as PCs in your home and office makes the Internet a source of information which is personal and individual beyond choosing options from a menu of stocks or news items."

"Coactive is pleased to receive the support of such notable new investors in addition to the company's existing backers," said David Gaw, president of Coactive Networks. "The home and office e-services enabled by Coactive's technology are increasingly important to network providers in a highly competitive environment. This support positions us to take advantage of the significant and fast-growing opportunities for network connectivity in the marketplace."

The Coactive Connector® product family connects control systems, appliances, and other devices to enterprise networks and the Internet, providing open access to information about the real world from anywhere and enabling a new class of e-services for consumers and businesses. The Coactive Connector incorporates the patent-pending distributed object technology of Coactive's IOConnect ArchitectureTM, providing the reliability, scalability, and manageability required for complex and mission-critical control systems. Adherence to open protocols provides broad access to control systems while leveraging existing data networking infrastructures.

About 3Com Ventures

3Com Ventures, Inc. invests in emerging technology companies around the world. Most recently, 3Com has invested in companies that specialize in wireless technologies, handheld computing solutions, converged networking and Internet-related technologies.

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About 3Com

With over 300 million customer connections worldwide, 3Com Corporation connects more people and organizations to information and each other in more innovative, simple and reliable ways than any other networking company. 3Com delivers e-Networking solutions through information access products and network systems to enterprises, small businesses, consumers, carriers and network service providers. 3Com — More connected. TM For further information, visit 3Com's press site at www.3com.com/pressbox.

About Coactive Networks

Coactive Networks is a leading provider of open solutions for connecting control systems to enterprise networks and the Internet. The company offers a full line of routers, thin servers, and gateways for creating powerful next-generation applications, and is the market leader in providing connectivity solutions for the EIA-709 (LonWorks®) standard, the leading control technology. Coactive is a privately held corporation based in Sausalito, CA. Detailed information on Coactive products, news announcements, seminars, training, and support is available on the World Wide Web at http://www.coactive.com.

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