

3I LEADS \$47 MILLION INVESTMENT IN CHAMELEON SYSTEMS

San Jose, Calif. February 5, 2001 — Chameleon Systems, a leading fabless developer of communications semiconductors, today announced the completion of a \$47 million round of financing led by 3i. The investment will help Chameleon accelerate the deployment of its reconfigurable communications processor (RCP) across multiple high-performance applications, including 3G wireless, voice compression, and software-defined radio.

3i was joined by six additional new investors: The Crossroads Group; GTG Ventures; Macnica, Inc.; Morgan Stanley Dean Witter; Merrill Lynch Private Equity; and Bayview 2000 (Robertson Stephens). All existing investors participated substantially as well.

"We are overwhelmed by the level of enthusiasm and support exhibited by the participants in our third round of financing," said Chuck Fox, president and CEO of Chameleon Systems. "Clearly, the investment community has validated Chameleon's position as the leading supplier of reconfigurable signal processing solutions. By combining the performance of an Applications Specific Integrated Circuits (ASIC) with real-time, architecture-level flexibility, our technology strikes at the heart of one of the most important challenges facing communication system designers. As a result, our customers have begun developing entirely new system-level design strategies that deploy our reconfigurable processors in a variety of high-performance applications."

"Chameleon's reconfigurable communications processor positions the company to be a primary force enabling high-speed networks and next-generation wireless communications equipment," commented David Silverman of 3i. "We are excited about our investment as it complements 3i's communications portfolio, and reflects our belief in the strength of the management and Chameleon's technology leadership."

The build-out of Internet infrastructure and high-speed wireless communications networks requires vast improvements in processing performance and flexibility over existing semiconductor technologies. Chameleon's reconfigurable communications processor offers equipment providers design flexibility, time-to-market speed and extremely high signal processing performance

About Chameleon Systems

Founded in 1997, Chameleon Systems, Inc. is a privately held fabless semiconductor company that designs, markets and sells programmable system-on-a-chip solutions for the communications electronics markets. Headquartered in San Jose, California, the company has developed the industry's first reconfigurable communications processor (RCP)—an ideal solution for data-intensive Internet, DSP, wireless basestations, voice compression, software-defined radio, and other high-performance embedded telecom and datacom applications. The Chameleon RCP solution allows data and telecom equipment vendors to create customized communications signal processors to increase performance and channel count, more quickly adapt to new requirements and standards, reduce time-to-market, lower development costs and reduce risk.

Visit Chameleon Systems at <http://www.chameleonsystems.com>

About 3i

3i is a leading international venture capital company with U.S. offices in Palo Alto, CA and Waltham, MA. 3i Group Plc. is listed on the London Stock Exchange and is in the FTSE100. Worldwide, 3i has invested almost \$18 billion in more than 13,400 businesses through a network of 38 offices: 34 in Europe, 2 in Asia and 2 in the U.S. 3i leverages its worldwide presence to add value to its portfolio companies. In the U.S., 3i concentrates on technology with an emphasis on business Internet and telecommunications. Investments in the U.S.

include: Boostworks, Colorado MicroDisplays, Develop Online, Ensim, Garage.com, Intrinsic Graphics, Teleknowledge, and Yet2.Com.
Visit 3i at <http://www.3ius.com>.

Editorial Contacts:

Stacey Lim
Burson-Marsteller
Tel: (415) 591-4045
stacey_lim@sfo.bm.com

Marc Koltun
Chameleon Systems
Tel: (408) 240-3408
marc@chameleonsystems.com

