



For Further Information Contact:

Dave Renaud
Vice President, Corporate Affairs
Proxim Wireless
(413) 584-1425
ir@proxim.com

Proxim Wireless Reports Third Quarter 2010 Financial Results

Proxim Continues Product Line Expansion to Better Address Growth Markets

Silicon Valley, CA, November 11, 2010 - Proxim Wireless Corporation (OTCQX: PRXM), a leading provider of indoor and outdoor wireless broadband systems, today released financial results for the third quarter ended September 30, 2010.

Financial Highlights

- Revenues for the third quarter of 2010 were \$7.6 million compared to \$8.1 million in the second quarter of 2010 and \$7.0 million in the third quarter of 2009.
- GAAP gross margins for the quarter were 44% compared to 52% in the second quarter of 2010 and 30% in the third quarter of 2009. GAAP net loss for the quarter was \$2.0 million, or \$(8.53) per share, compared to \$1.4 million, or \$(5.84) per share, in the second quarter of 2010 and \$3.6M, or \$(15.34) per share, in the third quarter of 2009.
- Non-GAAP gross margins for the second quarter of 2010 were 46% compared to 55% in the second quarter of 2010 and 34% in the third quarter of 2009. These margins exclude depreciation of fixed assets, amortization of intangible assets, and stock based compensation. Non-GAAP net loss for the third quarter of 2010 was \$1.3 million, or \$(5.58) per share, compared to \$0.6 million, or \$(2.54) per share, in the second quarter of 2010 and \$2.9 million, or \$(12.13) per share, in the third quarter of 2009.

“While we would have liked to maintain the quarter-over-quarter revenue increases that had occurred for the last four fiscal quarters, the third quarter typically is a softer quarter for the company,” said Mike Sophie, Interim CEO of Proxim Wireless. “We are pleased with the orders we have received that we believe position us well for a solid fourth quarter. We are seeing consistent growth in the 8100 series of wireless backhaul and point-to-multipoint products, and we recently expanded the 8100 series product line with the introduction of the Tsunami 8100 Customer Premise Equipment (CPE). In addition, we also introduced our new Tsunami GX800 line of licensed backhaul products that position us for greater growth in the carrier and service provider markets.”

Highlights of Recent Press Announcements Include:

- Proxim introduced the Tsunami® GX800 series of licensed point-to-point wireless backhaul products for the carrier, service provider, WISP, government and enterprise

markets. The GX800 delivers 622 Mbps aggregate capacity, providing a cost-effective solution for the increased capacity demands on today's networks due to data-intensive smartphones on mobile networks, HD video streaming over wireless networks, and the need for organizations of all sizes to share bandwidth amongst buildings.

- Proxim introduced the Tsunami™ MP-8150-CPE (Customer Premise Equipment) series of products, designed to dramatically reduce the cost and complexity of deploying wireless broadband service for carriers and service providers of all sizes. The 8150-CPE products leverage the same high-performance 4G technology utilized in Proxim's Tsunami MP-8150 and QB-8150 line of products, and are designed to provide over 100 Mbps of performance.
- The City of Courtenay, BC deployed Proxim's wireless backhaul solutions to connect buildings throughout the city. The City of Courtenay selected Proxim's Tsunami® QB-8150 and Proxim's 60 GHz wireless backhaul solutions to connect two recreational facilities back to the City Hall, for a cost-effective way to share bandwidth between the buildings while the city's fiber network was being built out.
- Vidarbha Infotech Pvt.Ltd. (VIPL), a telecom and IT solutions provider, selected Proxim's point-to-multipoint (PtMP) solutions to provide a city-wide wireless network to enable automated tax collection and eGovernment initiatives in the city of Nagpur, India. VIPL utilized Proxim's Tsunami™ MP.11 5054 radios and ProximVision ES central management system to connect over 34 locations throughout central India's largest city.

About Proxim Wireless

Proxim Wireless Corporation (OTCQX: PRXM) provides Wi-Fi®, WiMAX, Point-to-Multipoint and Point-to-Point Backhaul technologies for a complete indoor and outdoor wireless broadband ecosystem. Our systems enable service providers, governments and enterprises to deploy fixed and mobile security and video surveillance, indoor and outdoor Wi-Fi, business and residential internet access and cell tower backhaul. Proxim has shipped more than 2 million wireless devices to more than 250,000 customers in over 65 countries worldwide. Proxim is ISO 9001-2008 certified. For more information, visit www.proxim.com. For investor relations information, e-mail ir@proxim.com or call +1 413-584-1425.

Use of Non-GAAP Financial Information

To supplement Proxim Wireless' condensed consolidated financial statements presented in accordance with GAAP, Proxim uses certain measures of financial performance that are non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. These non-GAAP measures may include gross margin, net income (loss), and net income (loss) per share data that are adjusted from results based on GAAP to exclude certain expenses, gains, and losses, and to enhance investors' overall understanding of Proxim's current financial performance and Proxim's prospects for the future. Specifically Proxim believes the non-GAAP measures provide useful information to both management and investors by excluding certain expenses that may not be indicative of its core operating results. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. These non-GAAP measures included in this press release have been reconciled to the GAAP results in the attached tables.

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. Proxim Wireless' 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 ongoing uncertainty in the telecommunications industry and larger economy; our ability to increase our sales in the Americas and elsewhere; our limited capital resources and history of significant losses; our possible need or desire to raise additional funds, the availability of any such funds, and the terms of any such fundraising; the intense competition in our industries and resulting impacts on our pricing, gross margins, and general financial performance; risks and delays in introducing contemplated products; uncertainties whether these contemplated new products will increase our revenues; 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; decisions we may make to delay or discontinue efforts to develop and introduce certain new products; 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; commitments we may make to our suppliers relating to orders that may end up getting cancelled; the difficulties in predicting Proxim's future financial performance; and the impacts and effects of any financing or other strategic transactions Proxim may evaluate or consummate. Further information on these and other factors that could affect Proxim's actual results is and will be contained in the filings made by Proxim with the OTCQX (available at www.otcqx.com), including without limitation in the Annual Report filed by Proxim on March 30, 2010, and in its other public statements, which may be available on Proxim's website (www.proxim.com).

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PROXIM WIRELESS CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	September 30, 2010	December 31, 2009
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,384	\$ 5,720
Accounts receivable, net of allowance for doubtful accounts, returns and discounts of \$2,344 for September 30, 2010 and \$2,032 for December 31, 2009	3,436	2,983
Inventory, net	2,099	2,948
Prepaid expenses	294	388
Total current assets	9,213	12,039
Property and equipment, net	2,434	2,615
Other assets:		
Restricted cash	77	77
Intangible assets, net	3,543	4,744
Deposits and prepaid expenses	344	382
Total other assets	3,964	5,203
Total assets	\$ 15,611	\$ 19,857
LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	\$ 4,606	\$ 5,229
Line of credit payable	2,556	2,055
Deferred revenue	1,081	1,344
Notes payable, net of discount, current	2,539	558
Total current liabilities	10,782	9,186
Deferred revenue, net of current	375	397
Notes payable, net of discount, net of current	-	1,512
Other long term liabilities	133	159
Total liabilities	11,290	11,254
Commitments and contingencies		
Redeemable preferred stock:		
Series A convertible, \$0.01 par value - 2,500,000 shares authorized as of September 30, 2010 and December 31, 2009; 2,500,000 issued and outstanding as of September 30, 2010 and December 31, 2009. Aggregate liquidation preferences \$5,198 as of September 30, 2010 and \$5,047 as of December 31, 2009	4,811	4,598
Series B non-convertible, \$0.01 par value - 1,250,000 shares authorized as of September 30, 2010 and December 31, 2009; 1,250,000 issued and outstanding as of September 30, 2010 and December 31, 2009. Aggregate liquidation preferences \$2,854 as of September 30, 2010 and \$2,648 as of December 31, 2009	2,660	2,423
Total redeemable preferred stock	7,471	7,021
Stockholders' equity (deficit):		
Common stock, \$0.01 par value, at amount paid in; 100,000,000 shares authorized; 235,088 shares issued and outstanding as of September 30, 2010 and 235,191 shares issued and outstanding as of December 31, 2009	65,290	65,382
Accumulated deficit	(68,440)	(63,800)
Total stockholders' equity (deficit)	(3,150)	1,582
Total liabilities, redeemable preferred stock and stockholders' equity (deficit)	\$ 15,611	\$ 19,857

PROXIM WIRELESS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	<u>Three Months Ended Sept. 30,</u>		<u>Nine Months Ended Sept. 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues	\$ 7,636	\$ 6,952	\$ 23,406	\$ 22,056
Cost of goods sold.....	4,307	4,846	12,456	11,964
Gross profit	3,329	2,106	10,950	10,092
Operating expenses:				
Research and development	658	675	1,786	1,823
Selling costs	2,795	2,712	7,946	7,377
General and administrative	1,427	1,861	5,314	4,302
Total operating expenses	4,880	5,248	15,046	13,502
Operating loss	(1,551)	(3,142)	(4,096)	(3,410)
Other income (expenses):				
Interest income (expense)	(205)	(212)	(584)	(632)
Other income (expense).....	(1)	(120)	55	(206)
Total other income (expenses)	(206)	(332)	(529)	(838)
Loss before income tax	(1,757)	(3,474)	(4,625)	(4,248)
Benefit (Provision) for income taxes.....	(44)	(27)	(15)	(99)
Net income (loss)	<u>\$ (1,801)</u>	<u>\$ (3,501)</u>	<u>\$ (4,640)</u>	<u>\$ (4,347)</u>
Accretion to redemption value of redeemable preferred stock	203	104	450	104
Net loss attributable to common stockholders	<u>\$ (2,004)</u>	<u>\$ (3,605)</u>	<u>\$ (5,090)</u>	<u>\$ (4,451)</u>
Weighted average number of shares-basic and diluted used in computing net earnings (loss) per share	235	235	235	235
Basic and diluted net earnings (loss) per share	<u>\$ (8.53)</u>	<u>\$ (15.34)</u>	<u>\$ (21.66)</u>	<u>\$ (18.94)</u>

**UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP
FINANCIAL RESULTS**
(In thousands, except per share data)

	Three Months Ended September 30, 2010			Three Months Ended June 30, 2010			Three Months Ended September 30, 2009		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Revenues	\$ 7,636	-	\$ 7,636	\$ 8,053	-	\$ 8,053	\$ 6,952	-	\$ 6,952
Cost of goods sold.....	4,307	(212)(a)	4,087	3,887	(182)(a)	3,627	4,846	(128)(a)	4,611
	-	(8)(c)	-	-	(78)(c)	-	-	(107)(c)	-
Gross profit.....	3,329	220	3,549	4,166	260	4,426	2,106	235	2,341
Operating expenses:									
Research and development	658	(30)(a)	628	605	(22)(a)	566	675	(24)(a)	633
	-	(-)(c)	-	-	(17)(c)	-	-	(18)(c)	-
Selling costs.....	2,795	(21)(a)	2,779	2,707	(30)(a)	2,692	2,712	(21)(a)	2,686
	-	5(c)	-	-	15(c)	-	-	(5)(c)	-
General and administrative	1,427	(25)(a)	1,001	1,895	(48)(a)	1,433	1,861	(33)(a)	1,410
	-	(400)(b)	-	-	(400)(b)	-	-	(400)(b)	-
	-	(1)(c)	-	-	(14)(c)	-	-	(18)(c)	-
Total operating expenses.....	4,880	(472)	4,408	5,207	(516)	4,691	5,248	(519)	4,729
Operating profit (loss).....	(1,551)	692	(859)	(1,041)	776	(265)	(3,142)	754	(2,388)
Other income (expenses):									
Interest income (expense)	(205)	-	(205)	(192)	-	(192)	(212)	-	(212)
Other income (expense).....	(1)	-	(1)	(39)	-	(39)	(120)	-	(120)
Total other income (expenses)	(206)	-	(206)	(231)	-	(231)	(332)	-	(332)
Income (loss) before income taxes	(1,757)	692	(1,065)	(1,272)	776	(496)	(3,474)	754	(2,720)
Benefit (Provision) for income taxes	(44)	-	(44)	59	-	59	(27)	-	(27)
Net income (loss)	\$ (1,801)	692	\$ (1,109)	\$ (1,213)	776	\$ (437)	\$ (3,501)	754	\$ (2,747)
Accretion to redemption value of redeemable preferred stock.....	203	-	203	159	-	159	104	-	104
Net income (loss) attributable to common stockholders	\$ (2,004)	-	\$ (1,312)	\$ (1,372)	-	\$ (596)	\$ (3,605)	-	\$ (2,851)
Weighted average number of shares - basic and diluted used in computing net earnings (loss) per share	235	-	235	235	-	235	235	-	235
Basic and diluted net earnings (loss) per share.....	\$ (8.53)	-	\$ (5.58)	\$ (5.84)	-	\$ (2.54)	\$ (15.34)	-	\$ (12.13)

- (a) The effect of depreciation of fixed assets
(b) The effect of amortization of intangible assets
(c) The effect of stock based compensation.