

Press Contacts:

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For Immediate Release

**TRANSCEPT INC. LAUNCHED FROM SANDERS
TELECOMMUNICATIONS BUSINESS UNIT**

*- New Company Provides PCS Systems that Cost-Effectively Extend
Coverage and Capacity of Wireless Networks -*

Manchester, NH – July 27, 1999 – Transcept, Inc. today announced its inception as an independent, privately-held company dedicated to serving the commercial wireless communications market. Spencer Trask & Company, a New York technology investment firm specializing in private equity for high growth companies, raised nearly \$17 million to provide Transcept with the capital needed to fuel the growth of its business. Spencer Trask & Company is known for financing leaders in telecommunications, software, and healthcare. Transcept previously operated as the telecommunications business unit of Sanders, a Lockheed Martin Company.

"In order to continue our growth in the commercial marketplace we felt that Transcept needed the focus and flexibility afforded by being an independent company, while also leveraging our Sanders/Lockheed Martin heritage," said Steven Johnson, president of Transcept. "To capitalize on the significant opportunity in the commercial market it was a natural metamorphosis to establish Transcept, while enabling Sanders to remain focused on its core defense electronics business."

Kevin Kimberlin, chairman, Spencer Trask & Company, said "Transcept's opportunity is clear – to be the dominant player in PCS infrastructure. Now Transcept has the capital and focus to seize this market."

Transcept designs and manufactures innovative and cost-effective RF products for wireless telecommunications. The Company's products enable wireless service providers to utilize surplus bandwidth (cable, fiber, and microwave) to establish new – or improve existing – wireless networks. Importantly, Transcept equipment offers the added benefit of helping wireless operators – and the communities they serve – bridge the gap between the demand for ubiquitous wireless service and public resistance to building wireless transmission towers.

- more -

Exhibit A

16 July 1999

Federal Communications Commission
7435 Oakland Mills Road
Columbia, MD 21046

Re: Sell off of Telecommunications Unit of Sanders, a Lockheed Martin Company

Ref: Previous Letter of June 24, 1999

Subject: Experimental License, File No. 0169-EX-MR-1999

Dear Sir or Madam:

By our earlier letter of June 24, 1999, we informed you that in accordance with 47CFR2.929, Lockheed Martin Corporation has announced an agreement to sell its Sanders' Telecommunications Systems business to Transcept, Inc., a newly formed affiliate of Spencer Trask Holdings, Inc. At closing, Transcept will be jointly owned by Spencer Trask & Company, Lockheed Martin, and financial investors.

We further advised that closing of this agreement is targeted for July 16, 1999

In that June 24, 1999 letter, we also informed you pending experimental license (file number 0169-EX-PL-1999, submitted 6/17/99) would be transferred to Transcept. That license subsequently issued with an authorization effective July 6, 1999. A copy is enclosed herewith for your reference.

It would be our request that the FCC authorize the transfer of this license to Transcept or, in the alternative, reauthorize this license in the name of "Transcept, Inc."

Please advise as to any changes in grantee codes, and what action, if any, needs to be taken by the new company. You may contact me at (603) 645-5416.

Sincerely,



Hank T. Berg
Director, Products
Sanders, a Lockheed Martin Company

Enclosure
info cc: Transcept, Inc.
Michael A. Prussel

Tom Riley, 355 Perimeter Road, Manchester, NH 03108

**United States of America
FEDERAL COMMUNICATIONS COMMISSION
EXPERIMENTAL
RADIO STATION CONSTRUCTION PERMIT
AND LICENSE**

EXPERIMENTAL

(Nature of Service)

XD FX MO

(Class of Station)

WA2XCT

(Call Sign)

0169-EX-MR-1999

(File Number)

NAME Sanders, a Lockheed Martin Company

Subject to the provisions of the Communications Act of 1934, subsequent acts, and treaties, and all regulations heretofore or hereafter made by this Commission, and further subject to the conditions and requirements set forth in this license, the licensee hereof is hereby authorized to use and operate the radio transmitting facilities hereinafter described for radio communications in accordance with the program of experimentation described by the licensee in its application for license.

Operation: In accordance with Sec. 5.202(i) of the Commission's Rules

Station Locations

(1) Manchester, NH - NL 42-59-01; WL 71-26-42; MOBILE: within 32 km

Frequency Information

Manchester, NH - NL 42-59-01; WL 71-26-42; MOBILE: within 32 km

Frequency	Station Class	Emission Designator	Authorized Power	Frequency Tolerance (+/-)
869-894 MHz	FX	XXX	40 W (ERP)	
1930-1990 MHz	FX	1M25G7W	40 W (ERP)	

Special Conditions:

- (1) The station identification requirements of Section 5.152 of the Commission's Rules are waived.
- (2) Licensee is authorized to use various emissions and bandwidths during the experiment.
- (3) Operation in the 1850-1910 or 1930-1990 MHz band requires prior frequency coordination with 2 GHz microwave users and consent of PCS licensees to avoid interference.
- (4) Operation in the 824-849 or 869-894 MHz band requires consent of local cellular licensee(s) to avoid interference.

This authorization effective JUL 06, 1999 and
will expire 3:00 A.M. EST JUL 01, 2002

**FEDERAL
COMMUNICATIONS
COMMISSION**



8/23 cc Santoschi

State of Delaware
Office of the Secretary of State PAGE 1

Exhibit B

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "TSB ACQUISITION CORP.", FILED IN THIS OFFICE ON THE SEVENTEENTH DAY OF MAY, A.D. 1999, AT 9 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Edward J. Freel

Edward J. Freel, Secretary of State

3039436 8100

991195246

AUTHENTICATION: 9748189

DATE: 05-17-99

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 05/17/1999
991193246 - 3090436

Exhibit B

CERTIFICATE OF INCORPORATION

FIRST: The name of the Corporation is:

TSB Acquisition Corp.

SECOND: The address of the Corporation's registered office in the State of Delaware is 1013 Centre Road, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 80,000,000 shares divided as follows: (i) 50,000,000 shares of Common Stock, \$.0001 per value per share; and (ii) 30,000,000 shares of Preferred Stock, \$.01 per value per share. The Board of Directors shall have the authority by resolution or resolutions to fix all of the powers, preferences and rights, and the qualifications, limitations and restrictions of the Preferred Stock permitted by the Delaware General Corporation Law and to divide the Preferred Stock into one or more series and/or classes and designate all of the powers, preferences and rights, and the qualifications, limitations and restrictions of each series and class permitted by the Delaware General Corporation Law.

FIFTH: The name and mailing address of the incorporator are: Marian B. Gustafson, Kirkpatrick & Lockhart LLP, 1251 Avenue of the Americas, 45th Floor, New York, New York 10020-1104.

SIXTH: The Corporation is to have perpetual existence.

SEVENTH: In furtherance and not in limitation of the powers conferred by statute, the board of directors of the Corporation is expressly authorized to adopt, amend or repeal the by-laws of the Corporation.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the by-laws of the Corporation may provide. The books of the Corporation may be kept (subject to any provision contained in statute) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors of the Corporation or in the by-laws of the Corporation. Elections of directors need not be by written ballot unless the by-laws of the Corporation shall so provide.

Exhibit B

NINTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in any manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

TENTH: The Corporation shall indemnify, to the fullest extent now or hereafter permitted by law, each director, officer or other authorized representative of the Corporation who was or is made a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was an authorized representative of the Corporation, against all expenses (including attorneys' fees and disbursements), judgments, fines (including excise taxes and penalties) and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding.

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, that this provision shall not eliminate or limit the liability of a director to the extent that such elimination or limitation of liability is expressly prohibited by the Delaware General Corporation Law as in effect at the time of the alleged breach of duty by such director.

Any repeal or modification of this Article by the stockholders of the Corporation shall not adversely affect any right or protection existing at the time of such repeal or modification to which any person may be entitled under this Article. The rights conferred by this Article shall not be exclusive of any other right which the Corporation may now or hereafter grant, or any person may have or hereafter acquire, under any statute, provision of this Certificate of Incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise. The rights conferred by this Article shall continue as to any person who shall have ceased to be a director or officer of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person.

For the purposes of this Article, the term "authorized representative" shall mean a director, officer, employee or agent of the Corporation or of any subsidiary of the Corporation, or a trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Corporation or by any subsidiary of the Corporation, or a person who is or was serving another Corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the request of the Corporation.

THE UNDERSIGNED, being the incorporator named above, for the purpose of forming a Corporation pursuant to the General Corporation Law of the State of Delaware, does make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and, accordingly, have hereunto set my hand this 17th day of May, 1999.

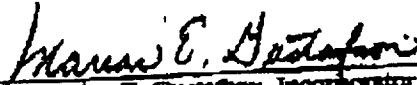

Marian E. Gustafson, Incorporator

Exhibit B

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
TSB ACQUISITION CORP.**

TSB Acquisition Corp. (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That by unanimous written consent of the Board of Directors of the Corporation resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of the Corporation, declaring said amendment to be advisable and directing that it be submitted to the stockholders of the Corporation for approval and adoption. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that Article FIRST of the Corporation's Certificate of Incorporation shall be amended to read in its entirety as follows:

FIRST: The name of the Corporation is:

Transcept, Inc.

SECOND: That the said amendment has been consented to and authorized by the holders of all of the issued and outstanding stock entitled to vote by unanimous written consent given in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be signed by a duly authorized officer on this 4th day of June, 1999.

TSB ACQUISITION CORP.

By: William H. Buchanan, Jr.
Name: William H. Buchanan, Jr.
Title: President

Santoski, Michael E

From: Speer, Richard D
Sent: Thursday, October 07, 1999 4:28 PM
To: Santoski, Michael E
Subject: RE: FCC License

Exhibit C

There are no alien directors or officers.

These are the only two holders with 10% or more.

Lockheed Martin Corporation
6801 Rockledge Drive
Bethesda, Maryland 20817
Attn: Frank H. Menaker, Jr., Esq.
7,500,000 shares 30%

Spencer Trask Holdings, Inc.
535 Madison Avenue
18th Floor
New York, NY 10022
Attn: William H. Buchanan, Jr.
2,500,000 shares 10%

-----Original Message-----

From: Santoski, Michael E [SMTP:michael.e.santoski@lmco.com]
Sent: Wednesday, September 15, 1999 2:39 PM
To: 'rspeer@transcept.com'; 'hberg@transcept.com'
Subject: FCC License

Dick,

For the FCC transfer of the experimental license I need to have the names and addresses of all stockholders owning and/ or voting 10% or more of the stock of Transcept and the percentage of stock held by each and if any aliens are directors or officers of the corporation.

Thanks for your help.

Mike