

MESSAGE TO HOLDERS OF THE SECURITIES OF
CELLNET DATA SYSTEMS, INC.
AND
CELLNET FUNDING, LLC

CellNet's investor relations telephone service is now closed. The following message is for the holders of CellNet Data Systems' Common Stock or Senior Discount Notes and for the holders of CellNet Funding's Preferred Securities.

The Liquidating Plan of Reorganization for CellNet Data Systems and its subsidiaries, as approved by the Delaware Bankruptcy Court, became effective on September 12, 2000. The Common Stock of CellNet Data Systems and the Preferred Securities of CellNet Funding were cancelled. Holders of these securities on September 12, 2000 should consult with their tax advisors as to the proper treatment of losses due to cancellation of stock for tax purposes for the Year 2000 and thereafter, as applicable.

Pursuant to the Liquidating Plan, there are no distributions of any kind on account of CellNet Data Systems Common Stock. Pursuant to the Liquidating Plan, there are no distributions of any kind on account of the CellNet Funding Preferred Securities, except for the distributions that were made in June 2000 to holders of record on June 13, 2000.

The Year 2000 Schedule K-1 income tax forms will be mailed to holders of the CellNet Funding Preferred Securities at the end of March 2001. Address changes for Schedule K-1 purposes only should be mailed to ACS Securities, Inc., 3988 North Central Expressway, Suite 636, Dallas, Texas 75204.

Pursuant to the Liquidating Plan, CellNet Data Systems Senior Discount Notes are treated as General Unsecured Claims. Holders of the CellNet Data Systems Senior Discount Notes have received a portion of the principal and accreted interest due to them. In accordance with the Liquidating Plan the remaining amounts payable to holders of the Senior Discount Notes will be determined after satisfaction and resolution of pending claims and administrative expenses. Holders of the Senior Discount Notes will be advised when the final distribution will be made.

For further information concerning the Liquidating Plan and the bankruptcy proceedings affecting CellNet Data Systems and its subsidiaries, please see the Reports on Form 8-K filed by CellNet Data Systems and by CellNet Funding with the Securities and Exchange Commission on September 12, 2000. Such Reports are available electronically through the Commission's EDGAR system.

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