



Smarter Sensors In Silicon

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Crossbow Technology Announces Agreement to Sell Commercial Inertial Systems and Catalog Wireless Sensor Network Product Line to MEMSIC

Crossbow to Retain and Strengthen Product Line for Global Defense Market

San Jose, CA – December 17, 2009 – Crossbow announced the signing of a definitive agreement for the sale and transfer of Crossbow’s commercial, catalog, and distributor business lines to MEMSIC, Inc. MEMSIC will take over sales, engineering, and manufacturing of transferred products including Crossbow’s commercial accelerometer, tilt sensors, inertial modules, FAA-certified aviation products, wireless sensor network (‘WSN’) modules, and the award-winning eKo® product line for environmental monitoring.

Sales and engineering personnel are being transferred with the sale of the product lines to ensure timely support, continued development, and a seamless transition of the transferred product lines from a customer’s perspective. Crossbow will retain its defense systems portfolio and strengthen the company’s commitment to United States Department of Defense and Foreign Military customers through development of advanced high-accuracy inertial systems products.

“The sale to MEMSIC of these product lines is a win for Crossbow’s customers, because MEMSIC has greater scale as a component and manufacturing company,” said Mike Horton, President & CEO of Crossbow. “It also enables Crossbow to focus on two areas of strategic growth going forward.”

One area of focus is packaged inertial systems for high-performance military applications. Crossbow currently has customers flying in excess of 185,000 flight hours using these products for Guidance, Navigation, and Control (GNC) functions onboard Unmanned Aerial Vehicles (‘UAVs’). In addition, several significant DOD and International military platforms rely on Crossbow’s MEMS-based and Fiber Optic-based Gyros for cameras, antenna and weapons stabilization. Crossbow is developing additional advanced military-grade technology for vehicle positioning and precision azimuth systems for determination of true north heading which is vital to precision military engagements.

The second area of continued business focus for Crossbow is self-contained, hand-held tracking systems for high-value assets. Crossbow is currently under contract to supply several thousand

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of a first-generation device to a significant international shipping company. Some of the proceeds of this transaction will be used to continue investment in this technology, and to develop other vertical market segments.

“The unique partnership and asset sale to MEMSIC, Inc. of Crossbow’s commercial, catalog, and distributor product lines is a win-win business agreement. The deal drives new revenue and product growth for MEMSIC in the commercial and industrial module market place. We are excited to take on and expand Crossbow’s existing commercial customer base,” said Dr. Yang Zhao, President & CEO of MEMSIC.

About Crossbow Technology, Inc.:

Founded in 1995, Crossbow Technology, Inc. is the leading end-to-end solutions supplier of wireless sensor networks and inertial sensor systems. Crossbow has shipped over 500,000 sensors to over 1000 customers, including select Fortune 100 companies, for diverse applications such as industrial, aerospace, environmental control, defense, security and asset tracking. Crossbow is leading the revolution for connecting the physical world with the digital world through wireless sensor networks. Headquartered in San Jose, California, Crossbow has offices and distributors in 24 countries worldwide.

About MEMSIC, Inc.:

MEMSIC Inc., headquartered in Andover, Massachusetts, provides advanced semiconductor sensor and system solutions based on integrated micro-electromechanical systems (MEMS) technology and mixed signal circuit design. MEMSIC's unique and proprietary approach combines leading edge sensor technologies, such as magnetic sensors and accelerometers, with mixed signal processing circuitry to produce reliable, high quality, cost effective solutions for automotive, consumer and industrial markets. The company shares are listed on the NASDAQ Stock Exchange (NASDAQ GM: MEMS).

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