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Crossbow Strengthens Ties to Technology Leaders

Paladin Capital Group, Cisco Systems and Intel Capital Invest in Sensor Market Leader

San Jose, California – June 8, 2005 – Crossbow Technology, Inc. (www.xbow.com), the leading end-to-end supplier in wireless sensor networks and inertial systems and the largest manufacturer of Smart Dust wireless sensors, announced today that it has reached technology collaboration agreements and received investments from Cisco Systems and Intel. Crossbow has also secured a significant investment from Paladin Capital Group, to bring this round of capital investment to \$12 million.

“Crossbow has been profitable since 2002, and this additional working capital will help us expand both our international operations and the company's research and development programs,” said Crossbow President and CEO Mike Horton. This is Paladin Capital Group and Cisco Systems' first investment in Crossbow, and a follow-on investment for Intel Capital. “To have both the worldwide leader in networking for the Internet and the world's largest chip maker invest in Crossbow puts us in a unique position,” said Crossbow President and CEO Mike Horton. “In addition to the investments, Crossbow will have technology collaboration projects underway with Cisco and Intel.”

“Crossbow is a technology leader in the emerging wireless sensor market and the work they are doing extends Cisco's vision for the Intelligent Information Network to the almost countless number of objects that will require wireless sensor technology,” says Dave Rossetti, vice president, strategic software technology, Cisco Systems.

Intel originally invested in Crossbow in 2002. “Intel Capital's investment in Crossbow represents our confidence in the growth of wireless sensor network technology,” said David Tennenhouse, Vice President, Corporate Technology Group and Intel's Director of Research. “We're pleased to expand our cooperation with Crossbow and continue to develop Intel® XScale® technology in wireless sensor networks.”

Paladin Capital Group, a private equity firm based in Washington, DC, is also participating in this investment round. Paladin's \$235 million Homeland Security Fund is focused on investments in existing companies with immediate solutions to address homeland security issues and needs. “Crossbow has both the experience and the innovation that we look for,” said Joann Teal, Vice President of Paladin Capital Group. “We evaluated many companies in the sensor market, and Crossbow was the clear choice for Paladin.”

"These investments will help Crossbow continue along the path of growth and success that we've outlined for the company," said Horton. "And our customers will benefit from our collaboration with two of the world's leading technology companies."

About Crossbow Technology

Founded in 1995, Crossbow Technology, Inc. is the leading supplier of end-to-end solutions in wireless sensor networks and the largest manufacturer of wireless sensor networks. Crossbow has for years been at the forefront of creating and deploying smaller, smarter, wireless sensing devices and mesh networking platforms for large-scale defense, environmental, agricultural, industrial monitoring and control, building automation, security and asset tracking applications.

Crossbow Technology, Inc. is also the leading supplier of inertial sensor systems for aviation, land and marine applications and other instrumentation sensors. Crossbow has a ten-year history of delivering sensors for applications and industries with the most stringent performance requirements in the harshest of environments.

The company has shipped more than 500,000 of its advanced sensors to more than 1,000 customers, including select Fortune 100 and other leading industrial, defense, technology, civil engineering and manufacturing companies. The company's strategic partners include Intel Corporation. Headquartered in San Jose, CA. Crossbow has distributors in 24 countries worldwide. The company received its ISO 9001/2000 Certification in May 2002, its FAA Certification for the AHRS500GA in January 2003 and its FCC Certification for the MICAz in October 2004. Contact Crossbow at +1-408-965-3300, e-mail info@xbow.com or visit Crossbow on the Web at www.xbow.com.

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