



550 Meridian Avenue
San Jose, CA 95126
Phone: +1 (408) 938-5200
Fax: +1 (408) 790-3800
lonworks@echelon.com
www.echelon.com

News Information

For Immediate Release

Press Contacts

Julia O'Shaughnessy
Echelon Corporation
+1 (408) 938-5357
julia@echelon.com

Mike Barash
Atomic Public Relations
+1 (415) 402-0230
mike@atomicpr.com

Echelon and Altera Partner to Bring Low Cost Power Line Networking To Home Appliances

Joint Effort Aimed At Expanding the Home Control Market

(SAN JOSE, CA & BERLIN, GERMANY – November 14, 2006) - Echelon Corporation (NASDAQ: ELON), a global networking company providing technology and solutions for controls, smart metering, and energy and environment management and Altera Corporation (NASDAQ: ALTR), the world's pioneer of system-on-a-programmable-chip (SOPC) solutions, today announced new products that enable makers of household appliances such as dishwashers, refrigerators, ovens, microwave ovens, etc. to add power line networking capability to their products while simultaneously slashing product costs and speeding time to market. The announcement was made this week at CONNECTIONS™ Europe: Strategies for Digital Living Markets in Berlin, Germany, a leading industry conference for the home control and networking community.

The companies have collaborated to provide an off-the-shelf solution that combines Altera Corporation's 32 bit Nios II family of embedded processors for Field

Programmable Gate Arrays (FPGAs) with a specially programmed Echelon power line smart transceiver. Together, the solution enables appliance and other home device manufacturers to easily add “no new wires” networking and advanced energy and control applications to their products while reducing product cost and time to market. Products can also now offer new services that today’s sophisticated consumers demand, such as active energy management that allows appliances to use utility supplied rate tables to determine if it turns on and at what level; energy balancing where an appliance can monitor the energy consumption of an entire home to determine its operating model; and automatic notification of remote service centers when an appliance begins to function improperly but before it ceases to work.

“With over 15,000 development kits sold worldwide and used by each of the world’s top 20 home appliance OEMs, the Nios II family of embedded processors are the most popular configurable soft processors available today,” said Michael Samuelian, director of the industrial business unit at Altera. “By implementing soft core processing in an FPGA, manufacturers can create custom integrated circuits (IC) in less than half the time and cost of alternative IC technologies. The combination of the Nios II family and Echelon’s power line smart transceiver products is a great boon to the home automation market – finally providing manufacturers with very high processing power, extreme flexibility in design, and the market leading standard in home control.”

“The home control market has seen many fits and starts in the past, waiting for the right mix of ingredients to get it started. We believe that combining Altera’s FPGA and embedded processor technology and the LONWORKS® platform will be one of those ingredients in kick-starting this market,” said Ken Oshman, Echelon’s chairman and CEO. “We’re very pleased to work with Altera to offer this powerful solution to the market.”

Altera’s FPGA technology offers powerful processing and significant cost advantages over standard microprocessor technologies in any market that demands variations in processor capabilities within similar product lines such as home appliances. The Nios II family of embedded processors consists of three processor cores that implement a common instruction set architecture, each optimized for a specific price/performance point, and all supported by the same software tool chain. Developers

can build processor systems for well under \$1.00 when implementing the smallest member of the Nios II processor family in a low-cost Cyclone™ II FPGA family.

Echelon's family of LONWORKS power line smart transceivers provide market-leading, low-cost, high-performance implementations of the EIA-709 control networking and power line communications standards. When programmed with Echelon's ShortStack® 2.0 firmware (available at no charge from either Echelon's web site or the web site of its pan-European distributor, EBV Elektronik), and interfaced to a Nios II processor, they enable manufacturers to create robust, full-featured, networked home control products.

About Altera Corporation

Altera's programmable solutions enable system and semiconductor companies to rapidly and cost-effectively innovate, differentiate and win in their markets. More information about Altera's FPGA's and Nios II family of embedded processors can be found at <http://www.altera.com>.

About Echelon Corporation

Echelon Corporation (NASDAQ: ELON) is a pioneer and world leader in control networking — networks that connect machines and other electronic devices — for the purpose of sensing, monitoring and controlling the world around us. Echelon's LONWORKS platform for control networking was released in 1990 and has become a worldwide standard in the building, industrial, transportation, and home automation markets. Launched in 2003, Echelon's Networked Energy Services system is an open, extensible, advanced metering infrastructure that can bring benefits to every aspect of a utility's operation, from metering and customer services to distribution operations and value-added business. In 2005 Echelon introduced the world's first embedded control network infrastructure, the Pyxos™ platform, extending the benefits of networking inside machines to the sensors and actuators that make them function.

Echelon is based in San Jose, California, with international offices in China, France, Germany, Italy, Hong Kong, Japan, Korea, The Netherlands, and the United

Kingdom. Further information regarding Echelon can be found at <http://www.echelon.com>.

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