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Echelon and Altera Collaborate to Enable More Powerful, Multi-Purpose Controllers for Control Automation Market

The LonWorks Platform Ported to Cyclone FPGAs and Nios II Embedded Processors

(San Jose, CA – November 14, 2007) - Echelon Corporation (NASDAQ: ELON) and Altera Corporation (NASDAQ:ALTR) today announced a collaboration to extend the advantages of Echelon's LonWorks® networks to controllers used in building, industrial, and home applications. As a result of the joint collaboration, the LonWorks communications protocol (a.k.a. ANSI/EIA709.1 and EN14908) has been ported to Altera's Nios® II embedded processor which is implemented in a Cyclone® FPGA. This FPGA-based solution, in conjunction with Echelon's new FTXL high-speed network transceiver, provides a quick and easy hardware interface to LonWorks control networks.

This new solution is expected to expand the market for high-end LonWorks based controllers by enabling manufactures to include greater functionality and processing power - at lower costs. For example, a single Cyclone III FPGA and Nios II embedded processor serves as a LonWorks processor, intellectual property (IP) host, digital signal

processor, and touch-screen display driver.

Altera's Cyclone III FPGAs deliver high functionality with a rich feature set and very low power consumption, making them ideal for environmentally responsible products that require a high-performance device while reducing energy consumption and cost. In home appliances, Echelon's newly updated ShortStack 2.1 API uses Altera's Cyclone III FPGA and Nios II embedded processor to replace as many as four function-specific microprocessors with a single FPGA and a power line smart transceiver. This helps reduce cost, complexity, and development time while simultaneously adding network communications to an appliance that enables utility companies, home appliance OEMs and consumers to effectively manage and control energy consumption. The ShortStack 2.1 API works in conjunction with Echelon's power line smart transceivers to use the existing electricity wiring in a home for communications, making the solution a "no new wires" approach.

"The combination of Echelon's FTXL high-speed network component and ShortStack 2.1 API with our FPGA and embedded processor technology enables us to deliver flexible, low-cost solutions for consumer products as well as high-performance building and industrial automation system controllers," said Michael Samuelian, director of Altera's industrial business unit. "Through our close collaboration with Echelon, we will continue to demonstrate the tremendous benefits our FPGA technology provides to the broader building, industrial and home automation markets."

According to Bea Yormark, Echelon's president and COO, "One of the unique abilities of the LonWorks platform from day one has been its potential for adding networking into any electric device. We believe that our work with Altera once again demonstrates the almost limitless boundaries of the LonWorks market, delivering a cost-effective and flexible solution not only to consumer products but also the 'high-end' of the device spectrum in typical control, monitoring and sensing networks. The collaboration with Altera has been a fruitful one, yielding products that are real enablers in our industry."

Availability

The Echelon FTXL high-speed network component and ShortStack 2.1 API will be available in January 2008. Customers interested in learning about these solutions should visit Echelon's website: <http://www.echelon.com>.

For more information on Altera's Cyclone III FPGAs visit www.altera.com/cyclone3. For more information on Altera's Nios II embedded processor visit www.altera.com/nios.

About Altera

Altera[®] programmable solutions enable system and semiconductor companies to rapidly and cost-effectively innovate, differentiate and win in their markets. Find out more at www.altera.com.

About Echelon Corporation

Echelon Corporation (NASDAQ:ELON) is a networking company that provides products and systems that can monitor and save energy; lower costs; improve productivity; and enhance service, quality, safety, and convenience by connecting everyday devices in utility, buildings, industrial, transportation, and home control systems. Tens of millions of smart devices based on Echelon's LonWorks products and Networked Energy Services (NES) systems are used around the world today, bringing benefits to consumers and industry. More information about Echelon can be found at <http://www.echelon.com>.

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This press release may contain statements relating to future plans, events or performance. Such statements may involve risks and uncertainties, including risks associated with market acceptance of Echelon's transceivers, ShortStack 2.1, API and other products, the timing of the availability of Echelon FTXL high-speed network components and

ShortStack 2.1 APIs, the timing and level of orders for these Echelon products; the ability of these Echelon products to perform as designed; and other risks identified in Echelon's SEC filings. Actual results, events and performance may differ materially. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Echelon undertakes no obligation to release publicly the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.