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## News Information

## For Immediate Release

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## Danish Utility Selects Echelon's Advanced Metering System for System-Wide Deployment

### EnergiMidt to Upgrade 170,000 Homes with Smart Meters

(San Jose, CA – April 10, 2008) — Echelon Corporation (NASDAQ: ELON) announced today that Eltel Networks A/S, a value-added reseller of Echelon's Networked Energy Services (NES) advanced metering infrastructure, has been awarded a contract by the Danish utility EnergiMidt to deploy the NES system to all of its 170,000 residential customers. One of the five largest electricity distribution companies in Denmark, EnergiMidt, a co-operative owned by its customers, is focused on providing innovative and high-quality service. NES value-added reseller Görlitz AG is also participating in the project, providing their EDW3000 software, a full-featured meter data management system (MDMS) and integration platform which runs on top of the NES system software to provide a rich set of utility applications. Revenue to Echelon for the project, including meters, data concentrators, and software, is expected to total approximately \$18 million. Volume shipments are targeted to begin in the fourth quarter of 2008 and to continue into 2010.

“As a large, customer-owned utility it was important to us to provide our customers with a system that is world-class, not only in terms of its reliability and functionality, but also in its ability to allow us to offer new and innovative services over time,” said Holger Blok, CEO, at EnergiMidt. “With Eltel’s NES based solution, we have achieved just that. It is a proven system with a market-leading set of functions, and we are building an infrastructure that will enable us to offer new services to better serve customer needs, including the potential for in-home products to use information from the meter to implement automated demand response, energy management, and other programs.”

“We are pleased to win another project in Denmark, building on our success with ELRO and establishing Eltel and the NES system as one of the leading advanced metering systems in the country,” said Sonny Nielsen, Eltel's CEO. “As demonstrated in this project, where we are offering EnergiMidt a highly innovative set of capabilities to reach beyond the meter into the home, the power, flexibility, and expandability of the NES system gives us the ability to deliver solutions to our customers that meet their current requirements and future needs. We expect to continue to build on this competitive advantage to grow our market share.”

“Utilities like EnergiMidt and partners like Eltel and Görlitz are at the forefront of moving to the next generation of utility infrastructure,” said Mark Ossel, Echelon’s vice-president of utility sales, Northwest Europe. “Their focus on building a ‘smart grid’ that connects the utility and its customers rather than just an advanced metering infrastructure (AMI) lays the foundation for future services across their customer base that can help customers lower their energy costs, reduce their carbon footprint, and increase the reliability of the electricity grid.”

The NES advanced metering infrastructure from Echelon consists of a family of highly integrated, advanced electronic electricity meters accessed via a web services based network operating system over an IP networking infrastructure. Unlike systems with a dedicated radio per metering point, multiple NES meters can share a single IP connection through the use of Echelon's proven standards-based power line networking technology. This drives down the per-point connection cost and enables the system to

easily and cost-effectively incorporate new wide area networking technologies over the life of the system.

### **About Eltel Networks**

Headquartered in Helsinki, Finland, Eltel Networks is the InfraNet Company™ in Europe, specializing in the construction, maintenance, and upgrading of electricity and telecommunications networks. The Group, with its 8,500 employees, has operations in the Nordics, Poland, the Baltics, and Germany. More information about Eltel Networks can be found at <http://www.eltelnetworks.com>.

### **About Görlitz AG**

GÖRLITZ AG, based in Koblenz, Germany, is one of the leading companies in the European market for devices and systems for energy data management solutions. GÖRLITZ provides its automatic meter management (AMM) systems to multi-vendor utilities, municipalities and industrial users all over in Europe. More than 350 utilities have installed metering systems and devices from GÖRLITZ. More information about GÖRLITZ can be found at <http://www.goerlitz.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, including statements regarding the size and timing of the EnergyMidt project with Eltel. Such statements may involve risks and uncertainties, including risks associated with the ability of Eltel's system, and the NES system on which it is based, to perform as designed; the risk that the EnergiMidt project is cancelled or reduced in scope; risks associated with potential production or shipment delays for NES meters and other components; risks that the deployment and system integration activities with Eltel or other partners in the project are not successful, do not meet their target dates, do not expand or gain momentum or cause EnergiMidt to terminate the project; the risk that the application of U.S. generally accepted accounting principles could significantly affect the timing of NES revenues that Echelon expects to recognize under the project; 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.