



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

Allyson Stinchfield  
Atomic Public Relations  
+1 (415) 402-0230  
allyson@atomicpr.com

## Russian Energy Provider Orders 80,000 Additional Echelon Smart Meters

(SAN JOSE, CA– June 11, 2008) - Echelon Corporation (NASDAQ: ELON) today announced that ENERGOAUDITCONTROL (EAC), a leading Russian engineering company and value-added reseller of Echelon's Network Energy Services (NES) advanced metering system, has ordered an additional 80,000 smart meters, extending the scope of an advanced metering project in Russia announced last year. With this latest order, the project has increased in size to approximately 180,000 networked meters. Shipments are already underway and are expected to complete next month. Total revenue to Echelon under the extension is anticipated to be approximately \$6.8 million.

"We are very excited about the opportunities in the Russian market and about the success our partner EAC has had with their project," said Frits Bruggink, Echelon's senior vice-president, utility solutions. "There is no greater sign of success than a happy customer releasing additional orders. This project also demonstrates the power of the NES system to offer multiple services over a common networking infrastructure. NES gives utilities the tools and information they need to improve customer care and billing systems, to forecast energy demand with more accurate and timely data, to balance loads across the system more accurately and, by doing so, to lower cost while increasing service quality and reliability."

“We believe the project we are working on is unprecedented in the Russian market in terms of its scope and capabilities. Our engineers have implemented a powerful and unique solution built on the NES system. Together with Echelon we are building a showcase designed to establish EAC’s leadership position in the emerging Russian advanced metering market,” said Silvian Seu, EAC’s CEO.

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.

Additional information about the August 2007 framework agreement between EAC and Echelon may be found at [http://www.echelon.com/company/press/2007/eac\\_russia.htm](http://www.echelon.com/company/press/2007/eac_russia.htm).

### **About Engineering Center ENERGOAUDITCONTROL**

Engineering Center ENERGOAUDITCONTROL specializes in designing sophisticated, territorially-distributed, high-profile metering systems. They integrate and deliver system solutions for the largest AMR systems for commercial electric power accounting systems in Russia. More information about Engineering Center ENERGOAUDITCONTROL can be found at <http://www.ackye.ru>.

### **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 networking together everyday devices in utility, building, industrial, transportation and home control systems. Tens of millions of smart devices based on Echelon’s LonWorks® products and Networked Energy Services systems are in use 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 the ability of the NES system to perform as designed; potential production or shipment delays for NES meters and other components for the project with EAC; uncertainties pertaining to the timing and level of EAC's orders for NES products; 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 with EAC; risks that EAC's deployment and system integration activities with Echelon and other partners in the project are not successful, do not meet their target dates or result in the assessment of penalties on Echelon, or cause EAC's customer to terminate 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.