Press release

Salt River Project Reaches Benchmark in EnergyAxis® System Expansion

Raleigh, North Carolina, and Phoenix, Arizona, U.S.A., February 01, 2007 - Elster Electricity, part of the Elster Group, the world's leading manufacturer and supplier of metering and utilisation solutions to the gas, electricity and water industries, today announces that the Salt River Project (SRP) Agricultural and Improvement Power District in Phoenix, Arizona is continuing to install approximately 10,000 REX meters per month as part of its EnergyAxis System expansion project. SRP expects to install all of the 100,000 meters purchased in June 2006 by May 2007, totaling 175,000 REX meters installed since the system was deployed. The on-going expansion includes an additional 20,000 REX meters with internal service control switches, bringing the total number of REX meters with remote connect/disconnect capability to 45,000.

With the EnergyAxis System, SRP is able to read all the REX meters in the system daily. Since deploying the EnergyAxis System, SRP has seen a savings of 85,000 miles in vehicle expenses and has remotely completed over 85,000 field orders. In the past 12 months alone, SRP has completed over 9,000 remote connects and disconnects. Every REX meter in the SRP system is programmed to collect time-of-use (TOU) data. This allows SRP to offer TOU rates to customers who normally would not have this option available because of access restrictions (locked gates, vicious dogs, etc.). For customers electing TOU rates, the switch to TOU billing can be made almost immediately and without the normal field visit.

"The savings we have seen from our automated daily reads and being able to remotely handle service calls from the office makes the system virtually pay for itself. Our operational expenses keep going lower as we expand the number of meters in the field," remarked John Soethe, manager of revenue cycle services for SRP.

"With the EnergyAxis System a user can start an Advanced Metering Infrastructure (AMI) on a small scale and move through full scale implementation in stages. Starting small and expanding a system is a great strategy for companies who do not want to lay out a big capital expenditure at one time. The cost savings that grow with

each expansion can be significant and becomes a great source of capital for future expansions," remarked Ronald B. Via, vice president of Elster Electricity.

The EnergyAxis System allows SRP to access meters remotely on a daily basis for meter reading and field service activities. The REX meters that have an internal service control switch allow SRP to connect and disconnect service on those meters from a remote location—often in the same day and with very little effort. This feature benefits both SRP and its customers because SRP eliminates a trip to the field and customers do not have to wait hours to have their service reconnected. The same scenario exists for service turn-ons for new customers or when a home changes hands from the contractor to the new homeowner. The REX meters with internal control switches are particularly ideal for SRP's apartment population. They have a high move-in/move-out rate along with associated credit work. REX meters have also been deployed in SRP service territories where there can be concerns about the safety of field crews.

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About the EnergyAxis System

The EnergyAxis System uses a powerful two-way RF communications system to retrieve metering information directly from meters. The communication network uses a spread spectrum, frequency-hopping technology with self-registration to provide secure, reliable communications between meters and data collectors. This technology enables individual meters to act as repeaters, creating a dynamic communication path that optimizes signal strength of the RF and reliability of the communication link. With residential REX meters, A3 ALPHA meter collectors, and polyphase A3 ALPHA meters, the EnergyAxis System is a complete metering automation solution that enables utilities to deploy a system that provides thorough territorial coverage.

About Salt River Project

One of the US' largest public power utilities, SRP provides customers in metropolitan Phoenix with electricity and water service. SRP has a generating capacity of 6,600 megawatts and distributes power to about 900,000 customers. SRP also uses a series of canals, reservoirs and wells to deliver about one million acre-feet of water to residents and agricultural irrigators. For more information, visit www.srpnet.com or email jrsoethe@srpnet.com.

About Elster Electricity, LLC

Elster Electricity, LLC is a provider of advanced metering infrastructure solutions to help utilities improve their revenue cycle services, customer service, delivery reliability, and workforce utilization. Elster Electricity is located in Raleigh, North Carolina. For more information, visit www.elsterelectricity.com.

About Elster Group

Elster Group is the world's leading manufacturer and supplier of highly accurate, high quality, integrated metering and utilisation solutions to the gas, electricity and water industries. In addition, through its subsidiary Ipsen International, it is the leading global manufacturer of high level thermo-chemical treatment equipment.

The group has over 9,000 staff and operations in 38 countries, focused in North and South America, Europe and Asia. Elster's high quality products and systems reflect the wealth of knowledge and experience gained from over 170 years of dedication measuring precious resources and energy.

The Elster Group is headquartered in Luxembourg