

Elster Introduces Next Generation Smart Meter

Raleigh, North Carolina, 19 February, 2008. Elster Electricity, part of Elster Group, a world leader in Advanced Metering Infrastructure (AMI) and integrated metering and utilization solutions to the gas, electricity and water industries announces the commercial release of the REX2-EA meter, a highly innovative smart meter built upon the proven design, functionality and reliability of Elster's REX® meter. Compatible with new and existing EnergyAxis® systems, and offered in addition to the REX meter, REX2-EA provides an expanded feature set and additional memory which further enhance the capabilities of Elster's EnergyAxis System.

REX2-EA is a member of the REX family of ANSI standards-based meters designed specifically for use within AMI systems and represents the next generation of AMI meters. The REX2 meter platform provides 128-bit AES encryption, supports ANSI C12.22, is compatible with various home area networks including ZigBee-based networks, allows remote upgradeability of meter and communications firmware independently while protecting endpoint operation and data integrity, and provides enhanced energy theft detection capabilities.

“The advanced features of REX2-EA reflect Elster's commitment to delivering innovative solutions to meet our industry's evolving needs,” remarked Mark Munday, president and CEO of Elster Electricity. “REX2-EA builds upon the strengths of the highly successful REX meter offering a flexible and standards-based architecture that provides our customers with peace of mind about their AMI investment and their future demand response and smart grid needs. Elster remains committed to protecting the investment made by our customers by ensuring our new technology solutions are compatible with existing EnergyAxis System deployments.”

Elster's EnergyAxis System delivers proven AMI technology to manage installed smart devices and retrieve related information. The system provides the foundation for energy conservation, demand response, smart home solutions and is part of the smart grid of the future. It supports gas, electricity and water while its open and interoperable architecture lowers investment risk by providing maximum flexibility for the integration of third party solutions and emerging technologies via open and standards-based interfaces.

The EnergyAxis System is the AMI system of choice for utilities worldwide. Five of six utilities that belong to the coalition of large distributors (CLD) in Ontario, Canada have deployed the EnergyAxis System and recently received the 2007 AMR Project of the Year award from Utility Automation and Engineering T&D™ magazine, a PennWell Corporation publication. The

CLD was selected for the award based on its efforts to meet Ontario's Smart Metering Initiative (SMI) target of having 800,000 smart meters installed in the province by the end of 2007.

The EnergyAxis System is currently the most widely deployed two-way RF mesh network AMI technology in the world. EnergyAxis systems are operating in urban, suburban, rural, residential, commercial and industrial applications and range from high density metropolitan environments to lightly populated areas including remote rural villages in Alaska. EnergyAxis System installations span the globe with deployments in North America, Central America, Australia, New Zealand and the Caribbean.

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About Elster Electricity

Elster Electricity is a leading provider of electricity metering products and services throughout the world. Located in Raleigh, North Carolina, Elster Electricity offers integrated, cost-effective solutions including smart meters, communication solutions, and metering automation systems for residential, commercial, and industrial applications. Elster Electricity serves customers through a global sales force. For additional information, visit www.elsterelectricity.com.

About Elster Group

Elster Group is a world leader in Advanced Metering Infrastructure (AMI) and integrated metering and utilization solutions to the gas, electricity and water industries. Elster's high quality AMI and AMR products, systems, and solutions reflect the wealth of knowledge and experience gained from over 170 years of dedication to measuring precious resources and energy. Elster provides world class solutions and advanced technologies to help utilities more easily, efficiently and reliably obtain and use advanced metering intelligence to improve customer service, enhance operational efficiency, and increase revenues. Elster's AMI solutions enable utilities to cost-effectively generate, deliver, manage and conserve the life-essential resources of gas, electricity and water. The group has over 7,500 staff and operations in 38 countries, focused in North and South America, Europe, and Asia. For additional information, visit www.elster.com.