



Elster Awarded APS Contract to Provide 800,000 Smart Meters

Raleigh, North Carolina, June 20, 2008. Elster, the leader in smart metering and smart grid system solutions, has been awarded a contract from Arizona Public Service (APS) for the deployment of 800,000 smart meters for residential, commercial and industrial consumers.

"We are committed to investing in technologies that benefit our customers, and our partnership with Elster is integral to this effort," said Tammy McLeod, APS vice president and chief customer officer. "In this time of rising energy prices, smart metering technology enables APS to offer customers a greater ability to manage their energy usage. In addition to helping our customers control their energy costs, this technology is already helping APS operate more efficiently by reducing the number of miles driven by APS personnel. The potential future benefits are limitless."

"Elster is very excited about APS' decision to move forward with this contract," said Jim McGivern, CEO, Elster. "This is another proof point for Elster in the marketplace of the value we are creating for our utility partners with our smart metering solutions."

The APS smart metering program will use a broad range of Elster technologies including its market leading EnergyAxis[®] System to help its consumers monitor electrical usage, in real-time, and enable APS to identify and correct service interruptions more quickly while improving efficiencies in APS meter reading, billing and customer service operations.

"The fact that APS has selected Elster's field-proven smart metering system to meet the service and operational needs of its customer base, further demonstrates our market leading position," said Ivo Steklac, global vice president, Elster Integrated Solutions. "We look forward to a long-term relationship with APS and providing the technology needed to meet its customer's current and future energy needs."

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About Elster

Elster has delivered more than 1.5 million smart metering devices worldwide with systems located in North America, Europe, Central America, Australia, New Zealand and the Caribbean. Elster's smart metering systems allow utilities to implement energy conservation measures, demand response programs, smart grid initiatives, and smart home solutions as well as achieve operational efficiencies resulting in significant value creation across the utility enterprise. Elster has over 7,500 staff and operations in 38 countries, focused in North and South America, Europe, and Asia. www.elster.com.

About APS

APS is Arizona's largest and longest-serving electric utility, serving about 1.1 million customers in 11 of the state's 15 counties. www.aps.com