



BRITISH GAS SELECTS ELSTER FOR DUAL FUEL SMART METERING ROLLOUT

ESSEN, Germany, September 27, 2011 —Elster (NYSE: ELT) announced today that British Gas and Elster have signed a Letter of Intent, moving Elster forward as a preferred provider of Smart Meters to British Gas, subject to contract. Elster is to provide British Gas with ‘dual protocol WAN’ AS330 electricity meters and BK-G4E gas meters, to support initial Smart Metering rollouts in 2012 and 2013.

British Gas selected Elster following a competitive evaluation of several potential vendors to identify an additional qualified supplier for its Smart Metering deployment. Elster joins Landis + Gyr as a qualified Smart Metering supplier for British Gas, providing ‘dual protocol WAN’ solutions.

“We want our customers to understand the energy they use and make informed choices about when to use it and how to save it. Smart Meters and energy displays are the foundations for doing this which is why we want to get them rolled out as quickly as possible. This deal means we have another Smart Meter supplier helping us put our customers in control,” said Dean Keeling, managing director of British Gas smart homes.

“Elster has worked closely with us to support the success of our Smart Metering rollout and their secure, reliable and interoperable dual fuel, ‘dual protocol WAN’ solution provides us with further capacity in our supply chain,” Keeling added.

Elster designed its innovative BK-G4E and AS330 meters specifically to support tailored solutions for utilities working to comply with the European directive for smart gas and electricity metering. The meters comply with the latest industry standards for data privacy and security and provide customers with latest technology to protect against fraud and tampering.

“Elster has been collaborating with regulators and other innovative companies, like British Gas, to define the Smart Grid standards for the UK and Europe, and to deliver flexible solutions that will meet the needs of customers today and in the future,” said Frank Hyldmar, executive vice president, Elster Electricity International.

“We are very pleased that as leading utilities in Europe begin moving ahead with Smart Grid programmes, they are turning to Elster to deliver their solutions. We look forward to delivering for British Gas and growing our valuable partnership,” Hyldmar added.

According to the Energy Saving Trust, Smart Meters can help households save up to 10 percent on their bills - a cash saving of 105 pounds sterling a year. Use of Smart Meters and displays will mean that customers will only pay for the energy they use and will no longer get estimated bills. The meters will help customers unlock new technologies such as solar panels and fully electric cars. All UK homes are expected to be fitted with a Smart Meter by 2019.

Elster's AS330 Smart Electricity Meter and BK-G4E Smart Gas Meter will be on display at this year's Metering Europe conference, October 4th – 6th in Amsterdam, at stand number D10.

About Elster

Elster (NYSE: ELT) is one of the world's largest electricity, gas and water measurement and control providers. Its offerings include distribution monitoring and control, advanced Smart Metering, demand response, networking and software solutions, and numerous related communications and services – key components for enabling consumer choice, operational efficiency and conservation. Its products and solutions are widely used by utilities in the traditional and emerging Smart Grid markets.

Elster has one of the most extensive installed revenue measurement bases in the world, with more than 200 million metering devices deployed over the course of the last 10 years. It sells its products and services in more than 130 countries across electricity, gas, water and multi-utility applications for residential, commercial and industrial, and transmission and distribution applications.

For more information about Elster, please visit www.elster.com.

Investors:

John Bluth, Elster Investor Relations and Corporate Communications
+1 919 250 5425, john.bluth@elster.com

Ronald Botoff, Elster Investor Relations
+1 919 212 4857, ron.botoff@elster.com

Media:

Rainer Mueller-Mueffelmann, Elster Corporate Communications
+49 (0) 6134 605 213, rainer.mueller-mueffelmann@elster.com

Geoffrey Riggs, Marketing Communications, Elster
+ 33 4 67 22 66 62, geoffrey.riggs@coronis.com