

## **Intellon Corporation Proposal Selected by U.S. Department of Energy for Smart Grid Investment Grant Award**

— *Intellon project one of 100 proposals selected by the DoE from 400 submitted.*

**Orlando, Fla., - October 28, 2009** - [Intellon Corporation](#) (Nasdaq: [ITLN](#)), a leading provider of HomePlug®-compatible integrated circuits (ICs) for home networking, networked entertainment, Ethernet-over-Coax (EoC) and smart grid applications, today announced that its application for funding in response to the U.S. Smart Grid Investment Grant Funding Opportunity Announcement has been selected for award negotiations by the U.S. Department of Energy (DoE). Intellon's proposal to modify existing power line communications integrated circuits (ICs) to enhance smart grid functionality is one of 100 projects selected under the \$3.4 billion Smart Grid Investment Grant program announced by President Obama to modernize the U.S. power grid. Intellon is the only semiconductor company to have a proposal selected by the DoE under this program.

Intellon received notification yesterday from the Office of Electricity Delivery and Energy Reliability that its "HomePlug Green PHY Integrated Circuit Development" project was among the proposals selected. If the award negotiations with the DoE are successful, Intellon will receive \$4.9 million of U.S. Recovery Act funding for the project. Intellon will contribute an additional \$4.9 million in matching funds for a total investment of \$9.8 million.

Intellon's proposal provides for the company to modify existing powerline technology to develop a new integrated circuit specifically designed and manufactured to meet the data rate, power, cost and reliability requirements for communications over home powerlines to support the emerging smart grid infrastructure. The new IC will be based on the "Green PHY" powerline communications specification that is expected to be finalized by the HomePlug Powerline Alliance later this year. The HomePlug "Green PHY" specification modifies the industry-leading HomePlug AV powerline technology to create a lower data rate, lower power and lower cost smart grid solution. ICs built to the "Green PHY" specification will be interoperable with HomePlug AV ICs, greatly expanding the functionality and flexibility of home area networks.

The new ICs will communicate across existing electrical wiring in the home (120/240 VAC, or 24 VAC low voltage wiring to thermostats), enabling smart meters, energy usage display monitors, programmable communicating thermostats, smart appliances and other electrically powered equipment to transmit usage data and receive control signals. This will enable households to monitor and better understand energy usage so they can take steps to minimize monthly energy bills.

"Our Green PHY HomePlug powerline technology will be a basic but vital communications tool for the smart grid, allowing better energy management by utilities and customers," said Charlie Harris, Chairman and Chief Executive Officer of Intellon Corporation. "We look forward to finalizing this award with the DoE and beginning work on this important project."

"With millions of ICs already deployed around the world in a variety of markets and applications, Intellon's HomePlug powerline technology is being increasingly specified for smart grid applications due to its reliable and proven communications capability," Harris added.

### **About Intellon Corporation**

[Intellon](#) (Nasdaq: [ITLN](#)) is a market leader in [powerline](#) communications, providing HomePlug® compliant and other powerline integrated circuits for home networking, [networked entertainment](#), [BPL](#) access, Ethernet-over-Coax (EoC), smart grid management and other commercial applications. Intellon created and patented the baseline technology for HomePlug 1.0, and is a major contributor to the baseline technology for the 200-Mbps PHY-rate [HomePlug AV powerline standard](#) and the draft IEEE P1901 powerline standard. With more than 35 million HomePlug-based ICs sold, Intellon is the market share leader in the HomePlug IC market. The Company was founded in 1989 and is headquartered in Orlando, Florida, with offices in Ocala, Florida, San Jose, California and Toronto, Canada. For additional information, visit [www.intellon.com](http://www.intellon.com).

### **Cautionary Note Regarding Forward-Looking Statements:**

All statements included or incorporated by reference in this release, other than statements or characterizations of historical fact, are forward-looking statements. These forward-looking statements include, but are not limited to, assertions regarding the successful negotiation of this funding opportunity and Intellon's commitment of matching funds to develop the proposed IC, the successful

completion of development of the proposed IC, the specifications and uses of the proposed IC or the use of Intellon's HomePlug-based solutions in conjunction with any customer products or services or in any of the applications or markets mentioned herein. Actual future results could differ materially from those anticipated as a result of certain risks and uncertainties. These factors include, but are not limited to, the risk that the market for powerline communications products, including Intellon ICs, may not develop as expected; the risk that Intellon may be unable to manage its growth effectively; uncertainties associated with competitive pressures, technical challenges and changes in industry standards; customer concentration and changes in customer demand and product mix; fluctuations in the availability and pricing of third party products and services used to manufacture, assemble and test Intellon's products; problems or delays in the fabrication, assembly, testing or delivery of Intellon's products; and economic and political uncertainties in Intellon's markets, including the risk of continued volatility and uncertainty in global financial and commercial markets. These and other risk factors are described in detail in the Risk Factors section of [Intellon's Form 10-Q](#) dated August 7, 2009, as filed with the Securities and Exchange Commission. Intellon assumes no obligation to update the forward-looking information contained in this release.

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