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KONE and Power Efficiency Launch Program to Market the EcoStart(TM) Energy Saving Soft Start to Leading Retail Chains, Hotels, Airports and Hospitals

EcoStart System, Saving Up to 40% on Electricity Consumption, Installed at Multiple Saks 5th Avenue Stores

LAS VEGAS--Power Efficiency Corporation (OTC-BB: PEFF), a developer and manufacturer of advanced energy savings technologies for electric motors, and KONE Inc, one of the world's leading elevator and escalator manufacturers and service providers, have begun a joint effort to market the EcoStart(TM) energy saving soft starter to end users, including KONE's client base of leading retail chains, hotels, airports, hospitals, etc. As part of this new initiative, the EcoStart(TM) has been installed in escalators at several Saks 5th Avenue stores.

The EcoStart(TM) soft starts an electric motor and saves up to 40% of the electricity used by the motor once it is at full speed. The EcoStart(TM) is based on Power Efficiency's patented energy saving technology and is manufactured by Power Efficiency exclusively for KONE.

KONE has recently installed the EcoStart(TM) in escalators at several Saks 5th Avenue stores, one of the world's premier retail chains, in Las Vegas, NV, Santa Barbara and San Diego, CA.

"KONE is proud to deliver the innovative EcoStart(TM) energy saving product to Saks 5th Avenue and looks forward to working with Power Efficiency to market the product to other customers," said Tom Kautz, Assistant Vice President and National Account Director, at KONE Inc. "At KONE, we have always prided ourselves at being a leader in bringing innovative technologies to serve our customers better and make elevators and escalators more efficient. The EcoStart(TM) is a timely energy saving product that combines a solid state soft start with ongoing energy savings."

Steve Strasser, CEO of Power Efficiency, said, "We are delighted to start this marketing initiative with KONE and to play a part in helping a great company like Saks save energy and money. More and more companies are interested in saving energy and helping the environment. The EcoStart(TM) is an outstanding solution for many such companies because it is a proven technology that is sold and supported by KONE, a world leader in escalator and elevator manufacturing and service."

The EcoStart(TM) adjusts voltage and current to escalators and elevators 120 times per second, instantly delivering only the power required to meet the necessary workload. The EcoStart(TM) is available for 208V, 480V, and 575V systems regardless of motor manufacturer. Without the EcoStart(TM), escalators and MG set elevators consume more power than necessary. With the EcoStart(TM), power is consumed in proportion to required workload, resulting in reduced energy costs. The product often pays for itself out of cost savings in 2-3 years or less.

About KONE Inc.

KONE elevators and escalators move people and goods in reliable, innovative, dedicated and responsible ways that add sustainable value to our customers' business and end-user' lives.

In the elevator and escalator industry, KONE is known worldwide as a service company and technology leader with the most innovative products and services. KONE sells, manufactures, installs, services and modernizes elevators and escalators and services automatic building doors.

KONE is the world's fourth largest elevator and escalator company. KONE operates some 800 service centers in more than 40 countries and delivers approximately 25,000 new elevators and escalators annually. Its service base consists of 520,000 elevators and escalators and more than 210,000 automatic building doors.

KONE is part of KONE Corporation, which was founded in Finland in 1910. KONE Corporation's class B shares have been quoted on the Helsinki Exchanges since 1967.

About Power Efficiency Corporation

Power Efficiency Corporation designs and manufactures controllers that reduce the amount of energy used by electric motors. The Company's core technology, which is based on patented improvements to NASA technology, is effective on motors that run at constant speeds and under variable loads. These motors are found in escalators, elevators, grinders, granulators, mixers, saw mills and many other applications. The savings from these controllers are typically 15-35%, but can be as high as 45%. The controllers also reduce the operating heat of the motor, which provides significant motor life extension and downtime reduction benefits. The controllers are UL compliant and CE and CSA certified. The Company also has a prototype unit applicable to single phase electronic motors that are found in applications such as clothes dryers, refrigerators, vending machines, mixers and coffee grinders.

For more information visit www.powerefficiencycorp.com or contact B.J. Lackland at 702-697-0377.

As a cautionary note to investors, certain matters discussed in this press release may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such matters involve risks and uncertainties that may cause actual results to differ materially, including the following: changes in economic conditions; general competitive factors; acceptance of the Company's product in the market; the Company's success in technology and product development; the Company's ability to execute its business model and strategic plans; and all the risks described from time to time in the Company's SEC filings. Power Efficiency assumes no obligation to update the information in this release.

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