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**ARKADOS AND CHANNEL VISION JOIN FORCES TO OFFER
WHOLE-HOUSE, MULTI-ZONE AUDIO**

*HomePlug chip supplier facilitates the development of
audio distribution systems that need no additional wiring*

PISCATAWAY, December 21, 2006 – Arkados (OTC BB: AKDS), “the HomePlug® Applications Company” and Channel Vision Technology, a leading provider of solutions for the Well-Connected Home™, today announced joint plans to create the first HomePlug-based set of products for a whole-house audio distribution system.

Arkados provides the building blocks that enable its ODM and OEM partners to build HomePlug-compliant audio and video products using its licensed reference designs.

"We are pleased to team up with Arkados on our Powerline Audio Distribution system," stated Darrel Hauk, president & CEO Channel Vision Technology. "Working with Arkados will enable us to realize our vision in a very short time frame. We believe our new line will gain vast acceptance with our authorized dealers and integrators."

Oleg Logvinov, CEO and president at Arkados, said, "Working with Channel Vision validates the strategy that Arkados has embraced as a company. Channel Vision understands that consumers demand ease of use when deciding how to connect their homes. By designing integrated solutions for our customers, we are creating solutions that will be available at a reasonable price for consumers, while eliminating all wiring except the power cord."

Arkados has already demonstrated its ability to enable key audio and video applications with the easy-to-use HomePlug technology. With the new Channel Vision products, consumers can add internet radio and other audio sources to existing audio systems or output to powered speakers in remote locations of the home. This enables music to be played and controlled from remote areas of the home, enabling whole-house music.

About Channel Vision

Channel Vision is a leading supplier of innovative technology products for the Well-Connected Home™. The Company's broad range of solutions are designed to provide

- more -

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*Arkados and Channel Vision Join Forces to Offer
Whole-House, Multi-Zone Audio/ Page 2*

lifestyle enhancements for residents, while equipping homes for greater safety, convenience and entertainment. Channel Vision is proud to provide high quality, dependable products backed by its 5 Star Program, one of the finest customer service programs in the industry which includes: Free Panel Design & Layout; Custom Manufacturing; Free CEDIA, BICSI and NBAA Approved Training ; 2/10/20 Warranties and 24/7/365 Technical Support. Well Connected Home is a trademark of Channel Vision Technology.

About Arkados, Inc.

Arkados, “the HomePlug Applications Company,” delivers a universal platform that enables the effortless networking of home entertainment and computer devices using standard electricity lines. The company’s system-on-chip solutions are uniquely designed to drive a wide variety of powerline-enabled consumer electronics and home computing products, such as stereos, radios, speakers, MP3 players, computers, televisions, gaming consoles, security cameras, and cable and DSL modems. Arkados customers can bring numerous sophisticated, full-featured products to market faster at a lower overall development cost using a single platform: the company’s versatile and programmable ArkTIC™ platform. Arkados solutions leverage the benefits of HomePlug Powerline Alliance specifications, and can also be used for in-building and to-the-home (BPL) applications. Arkados™, ArkTIC™ and Direct to Speaker™ are trademarks of Arkados Inc., a wholly owned subsidiary of the Arkados Group, Inc. HomePlug is a registered trademark of the HomePlug Powerline Alliance, of which Arkados is a member. More information can be found at www.arkados.com.

This release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 that are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties, including statements as to the future performance of the company and the risks and uncertainties detailed from time to time in reports filed by the company with the Securities and Exchange Commission. Although the company believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations or any of its forward-looking statements will prove to be correct. Factors that could cause results to differ include, but are not limited to, successful performance of internal plans, product development acceptance, and the impact of competitive services and pricing and general economic risks and uncertainties.

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