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**ARKADOS TO UNVEIL NUMEROUS ENGAGEMENTS AT CES,
“FROM A TO Z”**

*Increased customer engagements for versatile ArkTIC™ digital home connectivity chip
marks key milestone for the company*

Piscataway, NJ, January 3, 2007 – Arkados (OTCBB:AKDS), known as “The HomePlug® Applications Company,” will be attending the Consumer Electronics Show (CES) in Las Vegas and proudly displaying their designs at the exhibits and suites of a variety of customers and partners. The company’s turnkey reference designs for numerous high-demand home audio and video applications, such as iPod® related accessories and IPTV, have been gaining increased attention with global consumer electronics players over the past year.

“We are seeing the results of our aggressive sales and marketing efforts,” said Oleg Logvinov, president and CEO of Arkados. “We have continued to pursue what we call the Arkados Total Integration Concept, nicknamed ArkTIC™. This approach creates an ideal path for our customers to quickly go to market with a wide variety of connected-home applications, such as whole-house audio and IPTV – all from a single platform.”

Arkados has developed relationships and design wins that include audio and video system vendors from across the globe, “from A to Z”. The following is a partial list that shows where products and product prototypes based upon Arkados technology are going to be demonstrated on the CES show floor and in private suites:

- **Analog Devices, Inc (Boston, MA)**
ADI is displaying the AI1100-VP100 in their private suite. The flexible video platform uses ADI's Blackfin® processor to support a wide variety of video applications, such as streaming video, video monitoring for security applications, and a slideshow mode for digital picture frames.
- **Channel Vision Technology (Costa Mesa, CA)**
CES booth South 1 #20341 is displaying a solution that uses Arkados chips to distribute whole-house synchronized audio through power lines.

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*Arkados To Unveil Numerous Engagements At CES/
Cont'd*

- **devolo AG (Aachen, Germany)**
In the Arkados suite, devolo's dLAN Audio Extender demonstrates how music files stored on a Windows® computer can be transferred throughout a home, creating synchronized whole-house music without the need to install new wiring.
- **GigaFast (Los Angeles, CA)**
In GigaFast's booth (LVCC South 2 #26919), this international ODM will be displaying solutions that use Arkados chips and software for iPod docking stations, audio adapters and video output adapters. Specifically featured will be GigaFast's PE881-TX and RX adapters for transmitting and receiving home audio using existing stereo equipment, and the PE882-VO HomePlug Video Out Node for the output of video streams from the power line onto existing televisions.
- **Good Way Technology Co. Ltd. (Taiwan)**
Good Way, a world-wide leading manufacturer of consumer electronics products, will be displaying solutions that use Arkados chips and software for iPod docking stations and a powered speaker configuration for home audio distribution at Hilton booth 57046.
- **HomePlug Powerline Alliance (International)**
The international organization that specifies and promotes powerline communications technology (LVCC South Hall 2 #27018) is displaying two demonstrations that incorporate Arkados silicon: Whole-house audio from an iPod, and video monitoring with HomePlug certified security cameras.
- **Meiloon Industrial Co. Ltd (Taiwan)**
The international audio and home theater manufacturer (Hilton North Tower #12121) will exhibit Arkados designs incorporating HomePlug technology for home audio.
- **PAC Electronics Co. Ltd. (Taiwan)**
DRD's professional audio solutions include their **DRD True3D** sound and **DRD ProBass** which improves the dynamic range and sound quality of audio products, including the iPod dock and audio endpoints from Arkados, on display at the PAC exhibit (Hilton 52008).
- **Zylux (International)**
This international ODM will be displaying solutions that use Arkados chips and software for iPod docking stations, and powered speaker configurations for home audio applications.

“Being a semiconductor and software provider, we are extremely pleased that our customers and partners are so excited about our solutions,” continued Logvinov. “By providing a very flexible engine for many new and innovative products, we are expanding the connected home market in ways that we believe will further ignite consumer interest.”

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Additionally, Mr. Logvinov, Arkados president and CEO, will be among the industry leaders presenting at CES. He will be a panelist on “The State of Home Networking”, held on Tuesday, Jan. 9 at 1:30 pm in the Las Vegas Convention Center (LVCC) South Hall, Room S106-107. Additional information on CES 2007 can be found at <http://www.cesweb.org>.

About Arkados Group, 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. Other names and brands may be claimed as the property of others. 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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