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FOR IMMEDIATE RELEASE

ARKADOS SOLUTIONS BRING TOGETHER COMPUTERS AND CONSUMER ELECTRONICS AT WINHEC 2007

Arkados Chips Drive Whole-House Audio and Video Demonstrations from Tatum, devolo

PISCATAWAY, NJ, May 14, 2007 -- Arkados (OTC BB: AKDS), known as “the HomePlug® Applications Company,” is using the occasion of WinHEC 2007 to demonstrate the power of its HomePlug solutions by showing how to create whole-house music from the sound card of a personal computer or from an MP3 player, and how to connect video sources and destinations without running new wires.

Arkados chips power a multi-media demonstration featured in the exhibit of Taiwan's Tatum Corporation (booth #223), one of the world's largest product design and manufacturing companies. Tatum will display whole-house music applications, and Arkados video solutions including IPTV, surveillance video and digital picture frames. Also, at the exhibit of the HomePlug Powerline Alliance (booth #528), Arkados is demonstrating an audio system built using products of their customer devolo AG, a well-known powerline networking company from Germany.

During the most recent Intel Developer Forum in Beijing, Intel underscored that a reliable home networking technology is key for bridging the islands of consumer electronics and computing in the home. Intel has extensively tested HomePlug AV technology worldwide and has made the decision to include it as an optional component in their mainstream platform starting in 2008. Arkados' demonstrations make the bridge between the two islands a reality today.

“The transition to digital content has put our collection of favorite songs and videos at our fingertips,” stated Oleg Logvinov, CEO of Arkados. “But for many people, it has also limited the places where we can enjoy the experience. Arkados solutions liberate the user from needing to use PC monitors and earbuds, and create whole-house distribution of entertainment titles without installing new wires. Similar systems have traditionally been available in high-end home renovation and new construction. But at a fraction of the cost of professionally installed systems, we believe these solutions will appeal to a much broader marketplace.”

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The demonstrations will be shown May 14th through 16th at the exhibition running concurrently with the WinHEC 2007 conference, held at the Los Angeles Convention Center in Los Angeles, California.

“We are very excited to show these applications to our customers,” said Dr. Alan Pan, Senior General Manager of the Digital Audio Division of Tatung Corporation. “Many of our customers are exploring ways to approach the market with connected audio and video solutions. The whole-house audio products that we have built with Arkados silicon and software demonstrates the value of a home network in a way that is immediately accessible to people.”

“As technology capabilities increase, we are experiencing a shift in the expectations of consumers,” said Grant Ogata, Executive Vice President of Worldwide Operations for Arkados. “With the rollout of the Microsoft Windows Vista operating system, home networking and entertainment applications have more robust media-centric features, but are easier to use and more accessible than ever. These demonstrations show easy ways to provide entertainment throughout a home.”

With the audio system, special software replicates the sound card, and an adapter connects the PC to a HomePlug powerline network, allowing any music or sounds from the PC to be streamed to remote speakers – creating instant whole-house music. This is a great solution when used with internet radio, iTunes®, any subscription music service, or music files stored on a computer. The software will be compatible with Windows 2000, Windows XP32, Vista 32 and Vista 64.

“Audio distribution is a compelling application for HomePlug technology,” said Heiko Harbers, CEO of devolo AG. “We believe this is a product that will find a large and devoted audience.”

Arkados silicon and software provides a number of solutions for whole-house synchronized audio and distributed video. More information can be found at <http://www.arkados.com/products.html>.

About Arkados, Inc.

Arkados, “the HomePlug Applications Company,” delivers a universal platform that enables 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. Microsoft®, Windows®, Windows Vista™ are trademarks or registered trademarks of Microsoft Corporation. iTunes® is a registered trademark of Apple Inc. HomePlug® is a registered trademark of the HomePlug Powerline Alliance, of which Arkados is a member. Other names and brands may be claimed as the property of others. More information can be found at www.arkados.com.

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