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ARKADOS' CUSTOMERS AND PARTNERS DISPLAYING WHOLE HOUSE DIGITAL MEDIA ENTERTAINMENT SOLUTIONS AT COMPUTEX TAIPEI 2007

Whole-house Audio, IPTV, Surveillance video from GigaFast, Good Way, and Tatung Demonstrate the Realization of the Connected Home Vision

TAIPEI, TAIWAN, R.O.C., June 5, 2007 -- Arkados (OTC BB: AKDS), known as “the HomePlug® Application Solutions Company,” is working with their customers and partners to demonstrate its chip and software solutions for whole-house music, in-home surveillance systems, and IPTV distribution. Focused on the growing consumer appetite for on-demand entertainment, each application connects its system components without the need to install new wiring in a home.

“Arkados believes that the digital wave that started with digitization of content and proliferation of home networking is reaching a new crest with audio and video solutions for the connected home,” said Oleg Logvinov, president and CEO of Arkados. “On-demand entertainment is becoming the dominant form of content delivery, and the rising consumer interest in distributing digital music, digital television, and internet connectivity around the home necessitates a new breed of electronic products that will bridge digital content with new and existing consumer electronic products.”

Tatung Corporation (Computex booth #T101D) a \$6.5 billion product design and manufacturing company and Arkados' strategic partner announced today that together they are developing whole-house digital media solutions that can distribute music and video from a multitude of sources such as an iPod®, music and video stored on computers, any internet radio station, and music and video download services to existing stereo systems, televisions, and speakers throughout the house.

“Consumers are demanding feature-rich on-demand entertainment applications that are simple to install, and cost effective solutions that can be enjoyed anywhere in the house,” said Dr. Alan Pan, Senior General Manager of the Digital Audio Division of Tatung Corporation. “Using Arkados industry leading System-on-Chip solution based on HomePlug technology, Tatung will be able to offer reliable whole house audio and video solutions, previously available only with high-end new construction homes, to millions of existing homes without running new wires.”

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GigaFast (Booth #A535), a long-time designer and manufacturer of HomePlug products, has been using Arkados solutions for their PR-881 TX/RX audio solutions. With the PE-881 units, an audio source (such as a computer, a compact disc or DVD player, an MP3 player, AM/FM radio, etc.) connects to a device that streams audio output to a receiving device – which connects to remote speakers or receivers anywhere in the home. With the Arkados solution, every power outlet becomes an audio jack playing synchronized sound. GigaFast also incorporates Arkados solutions into devices that connect IP-based security cameras to a regular television for surveillance solutions.

Good Way Technology Co., Ltd., a leading worldwide consumer electronics and computer peripheral manufacturer will also display solutions for audio and video in Computex booth (D818).

“We designed our products so that our customers could develop cost-effective components for connected entertainment,” Logvinov continued. “We are glad to have the opportunity to satisfy the growing demand for a variety of products in this category.”

Arkados silicon and software provides a number of solutions for whole-house synchronized audio, distributed video, and a host of other products for the digital home. 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. iPod® 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.

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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