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Arkados Patent Demonstrates Continued Technology Leadership

US Patent 7,245,625 describes an essential device in Broadband Powerline ecosystem

Piscataway, NJ, July 23, 2007 -- Arkados (OTC BB: AKDS), known as “the HomePlug® Applications Company,” was awarded US Patent number 7,245,625 entitled “Network-to-Network Adaptor for Powerline Communications”.

The patent adds to Arkados’ continually expanding portfolio of intellectual property in the burgeoning Broadband Powerline (BPL) industry. Also known as powerline communications, the technology uses existing electrical power lines, either outdoors or inside of homes, for the transfer of data, communication, entertainment, and new “smart grid” or “green power” applications.

“Early research by our team at Arkados enabled us to construct scenarios that detailed how the BPL ecosystem of products and services would begin to develop,” said Oleg Logvinov, president and CEO of Arkados. “We understood that consumers, utility companies, and service providers would each have a part in building that ecosystem. Given the global market for this technology and the vast number of potential players in the marketplace, our invention is integral to the implementation of BPL networks.”

The invention is directly applicable to a wide number of network topologies where different physical and/or logical networks need to be coupled. The efficiency and simplicity of the patented approach would make alternative methods less desirable.

Logvinov continued, “We are pleased that our confidence in this technology has lead to a significant portfolio of intellectual property that positions Arkados as a leader in the powerline communications space. Our plan is to continue to create value in our company by providing solutions for all segments of the market, and to drive the industry forward by broadly licensing our breakthrough inventions.”

More information can be found at <http://www.arkados.com>.

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

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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. 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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