



Jim Reeber, Arkados Inc.  
Email: jreeber@arkados.com  
Phone: (732) 465-9300, x212

## **ARKADOS CUSTOMERS DISPLAY REVOLUTIONARY NEW PRODUCTS AT 2007 HOMEPLUG POWERLINE CONFERENCE**

*Arkados leads industry with complete solutions for HomePlug products; Addresses international conference attendees*

**Santa Clara, CA, October 10, 2007** -- Arkados (OTC BB: AKDS), known as “the HomePlug® Applications Company,” announces several new products using Arkados semiconductor and software solutions. Together, the new products from Arkados customers devolo AG, Russound, Tatung, MainNet Communications, GigaFast, and Corporate Systems Engineering, embody the extensive range of applications for Arkados powerline technology, including retail consumer electronics, whole-house audio, custom home AV installations, and smart-grid applications.

Arkados is exhibiting these products, along with their own new ArkTIC™ Integrated Module at the HomePlug Powerline Technology Conference, held today and tomorrow in Santa Clara, California. Arkados president and CEO Oleg Logvinov is also addressing the attendees in several sessions.

“This show marks the 3rd year of the HomePlug Technology Conference, and the focus is now shifting from simple powerline-to-Ethernet adapters to full-featured application-specific devices that allow consumers to watch videos and listen to music everywhere in the house from variety of sources, including the internet, an iPod®, or a PC as well as from legacy cable boxes, satellite receivers and stereo systems,” said Logvinov. “In the past, we showcased our reference designs and concepts. But at this show, our customers are showcasing innovative products, enabled by the uniqueness of our SoC platform solutions.”

The Arkados solutions are featured in the following demonstrations, discussions, and displays:

- devolo AG, the dominant market leader in Europe for PLC solutions uses Arkados chips for their dLAN Audio Extender; a Virtual Audio Driver for Microsoft® Windows® combined with an Arkados PLC receiver that allows users to play music from their PC, and stream music to any room in their house.
- Russound, the No. 1 name in multi-room audio systems for the professional installation market, utilized Arkados System-on-Chip AI-1100 to offer a HomePlug based iPod dock called the iBridge Dock PLC. The iBridge PLC system is designed to stream music and metadata from an iPod dock, placed anywhere in the house, to Russound’s RNET multi-room audio system. It allows homeowners to view and control the iPod content remotely.
- Tatung, a global consumer electronics manufacturer, is displaying their new Arkados-powered audio transmitter and a receiving unit with embedded audio power amplifiers, which drives Tatung's hi-fidelity, high-efficiency speakers that can be placed anywhere in the house.

**Arkados Group, Inc.**  
**220 Old New Brunswick Road • 2nd Floor • Piscataway NJ 08854**  
**732 465 9300 main • 732 465 9600 fax**

- Corporate Systems Engineering, a pioneer provider of energy management solutions since 1978, is using Arkados solutions for components of a “green power” application that are intended to be used to implement energy-saving programs such as temperature control, smart thermostats, and demand-driven load control.
- MainNet Communications and Arkados are discussing their plans for new HomePlug standard, broadband powerline communication based solutions that will enable easy and seamless access to Internet, music and video over existing electricity grids. Utilities can leverage their core business by offering these broadband communication services as well as save billions of dollars through energy conservation while running power demand management and Smart-Grid applications.
- GigaFast, one the leading HomePlug ODMs, is using Arkados chips for components of a whole-house audio system that consists of audio transmitters that connect to the sound source (cd player, tape deck, MP3 player, etc.), and play synchronized whole-house music to up to four audio receivers.

Additionally, Arkados is displaying its new ArkTIC Integrated Module (“AiM”). This is a system inline package (SiP) which combines the AI-1100 system-on-chip with all the logic circuit and memory necessary to design a multi-media transmitting or receiving device over power line. The integrated module allows companies to design custom HomePlug products with speed and cost efficiency.

“The Arkados AiM allows Tatung and our customers to create multiple products with a single, easy-to-integrated design,” said Dr. Alan Pan, Sr. General Manager of Digital Audio Division of Tatung. “It is a unique problem-solver in the marketplace because it contains both HomePlug connectivity, which is easy for consumers to use, and flexible application-layer components, which help product manufacturers create varied and full-featured products that come to market more quickly.”

For more about the HomePlug Powerline Technology Conference, see <http://2007conference.homeplug.org>.

For more information on the types of products that can be built with Arkados solutions, please see <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® is a registered trademark and 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 <http://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, the company’s ability to raise necessary*

*financing, ability to attract and retain key personnel, timely delivery of inventory by the company's contract manufacturers, timely, product development and acceptance, and the impact of competitive services and pricing and general economic risks and uncertainties.*

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