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**Arkados Earns HomePlug Certification for Components of Whole-House Audio Systems**

*- iPods fill homes with tunes, PC applications rock the house, and existing sound sources can create multiple zones of synchronized music with Arkados solutions –*

**PISCATAWAY, NJ, December 19, 2007** – At the most recent “plugfest” held by the HomePlug Powerline Alliance, Arkados (OTC BB: AKDS), known as “the HomePlug® Applications Company,” presented three products that contain its AI-1100 system-on-chip. Each design passed the alliance’s 266-point audit, earning HomePlug certification. The three products focus on easy-to-use ways to build whole-house synchronized music systems for a fraction of the cost of dedicated installations.

Two of the certified products are production-level consumer devices from Arkados customers, while one product is a “reference design” for a networked iPod® dock that demonstrates the flexibility and power of Arkados solutions. All the devices use HomePlug powerline technology to connect one device to another.

- The Arkados Direct-to-Speaker™ iPod Dock (AI1100-DTS-MFiD) is a reference design that seamlessly connects to an iPod through the docking connector to create a whole-house music system, even supporting audio functions, advanced iPod controls, and metadata exchange. It supports Direct-to-Speaker technology for synchronized audio, and connects to a variety of Arkados-based audio receivers.
- Devolo’s dLAN Audio Adapter works as part of a software/hardware system that allows users to listen to audio from a PC via their existing audio entertainment system – without the expense of drilling or additional cables. The system also includes an Ethernet/USB adapter and a Windows certified “Virtual Audio Driver” that reroutes audio from computer applications such as iTunes®, Windows® Media Player, WinAmp® and others to audio adapters located around the home.
- GigaFast’s PE-881 RX/TX is an audio adapter that can be used to transmit or receive audio between its source and an entertainment system. With embedded Direct-to-Speaker technology from Arkados, the GigaFast units play synchronized audio throughout a home.

“With these new HomePlug certified products, Arkados is dramatically demonstrating the value of HomePlug powerline technology for home entertainment applications,” said Oleg Logvinov, president and CEO of Arkados, who also serves as chief strategy officer of the HomePlug Powerline Alliance. “As a connectivity solution for internet access, audio-video systems, surveillance systems, intercoms, IPTV, and a wide variety of connected consumer electronic products, HomePlug technology offers more robust connectivity and greater coverage than wireless solutions. This is why Arkados provides not just

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semiconductors, but turnkey platform solutions for our customers – which include verifying our components through Windows certification and “Made for iPod” programs.”

More information on Arkados and its products 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® 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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