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Arkados Powers Innovative New Products Coming to Retail at CES 2008

- Bringing easy-setup whole-house music systems to the masses, new connected-home products embed Arkados technology for whole-house multimedia –

LAS VEGAS, NV, January 7, 2008 – Arkados (OTC BB: AKDS), known as “the HomePlug® Applications Company,” is using the occasion of the 2008 International Consumer Electronics Show to present a number of new products that contain its chip and software solutions. The strength of Arkados solutions is demonstrated through easy-to-use methods of building synchronized music systems at a fraction of the cost of dedicated installations. Arkados solutions incorporate HomePlug powerline technology to connect and share digital music from your PC or iPod® to audio systems in any room in the home and eliminating the need to run wires or worry about range or RF interference issues

As part of the exhibit of the HomePlug Powerline Alliance (Booth 26115 in South Hall 2 of the Las Vegas Convention Center), Arkados is demonstrating how their solutions power distributed music systems from devolo AG and IOGEAR®.

“Arkados is committed to developing solutions that will bring fully realized connected-home products to market,” said Arkados President and CEO Oleg Logvinov. “These new products are hitting retail shelves, and they demonstrate not only the instant connectivity that HomePlug technology provides, but also the advanced features that full digital connectivity enables between components in multimedia systems.”

Demonstrations at the Arkados exhibit in the HomePlug booth will feature IOGEAR’s Powerline Audio System that creates up to four zones of whole-house synchronized music from an iPod, and devolo’s dLAN Audio Adapter that allows users to listen to any audio from a PC and internet via their existing audio entertainment system located in another room.

“As a long time provider of HomePlug data networking products, IOGEAR is excited to be the first company to ship an iPod docking station that streams music to multiple rooms using the value of HomePlug powerline technology for entertainment applications,” said Miranda Su, Vice President at IOGEAR. “We thoroughly examined our options for whole-house music, and found that Arkados solutions delivered the most reliable and powerful features that consumers desire.” IOGEAR is exhibiting the Powerline Audio System in the Las Vegas Convention Center South Hall 4, Booth #36526

“We used Arkados technology to enable a product that is much in demand in Europe,” said Werner Fehn, Director Product Management for devolo AG. “Our new products bring the ability to enjoy your audio

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collection anywhere in the house at top CD quality—in your living room, kitchen, bathroom, or even out on the patio. Arkados technologies have enabled devolo to bring this product solution to market.”

In addition to the marquis exhibit at HomePlug Powerline booth, products using Arkados solutions will be demonstrated at the Russound® suite at Embassy Suites, GigaFast’s exhibit in South 2 #26521, Zinwell’s suite at Belagio, as well as Arkados own suite at the Renaissance Hotel.

Arkados provides a flexible platform focused on audio, video, voice, data, and control applications with connectivity via powerline communications. Its solutions also form the basis of system components for utility company initiatives such as smart-grid and green power applications.

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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